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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/624,154	07/24/2000	Peter Godlewski	16166-001800US	5073

20350 7590 08/13/2004

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EXAMINER

FISCHER, ANDREW J

ART UNIT	PAPER NUMBER
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3627

DATE MAILED: 08/13/2004

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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/624,154  
Filing Date: July 24, 2000  
Appellants: Godlewski et. al.

**MAILED**

AUG 13 2004

**GROUP 3600**

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For Appellants

**EXAMINER'S ANSWER**

This Answer is in response to Appellants' Second Appeal Brief filed April 15, 2004.

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**(1) *Real Party in Interest***

A statement identifying the real party in interest is contained in the brief.

**(2) *Related Appeals & Interferences***

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

**(3) *Status of Claims***

The statement of the status of the claims contained in the brief is correct.

**(4) *Status of Amendments After Final***

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) *Summary of the Invention***

The summary of invention contained in the brief is correct.

**(6) *Issues***

The Appellant's statement of the issues in the brief is correct.

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**(7) Grouping of Claims**

The rejection of claims 1, 3, and 31-34 stand or fall together because Appellant's brief does not include a statement that this grouping of claims does not stand or fall together and reasons in support thereof. See 37 C.F.R. §1.192(c)(7).

The rejection of claims 2, 4-11, and 35 stand or fall together because Appellant's brief does not include a statement that this grouping of claims does not stand or fall together and reasons in support thereof. See 37 C.F.R. §1.192(c)(7).

The rejection of claims 12-15 stand or fall together because Appellant's brief does not include a statement that this grouping of claims does not stand or fall together and reasons in support thereof. See 37 C.F.R. §1.192(c)(7).

**(8) Claims Appealed**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(9) Prior Art of Record**

6,204,763 B1	Sone	3-2001
5,168,445	Kawashima et al	1-1992
6,341,271 B1	Salvo et al	1-2002
6,324,522 B2	Peterson et al	11-2001
6,249,774 B1	Roden et al	6-2001
6,115,649	Sakata	9-2000
6,081,789	Purcell	6-2000

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5,946,662	Ettl et al	8-1999
5,914,878	Yamamoto et al	6-1999
5,765,143	Sheldon et al	6-1998
5,596,493	Tone et al	1-1997
5,400,253	O'Connor	3-1995
6,023,683	Johnson et al	2-2000
6,430,541 B1	Brown et al	8-2002
6,418,416 B1	Rosenberg et al	7-2002
5,091,713	Horne et al	2-1992

Sokol, Phyllis K., EDI, the Competitive Edge, Multiscience Press, Inc., 1989.

Charles C. Poirier et. al., E-Supply Chain, Berrett-Koehler Publishers, Inc., 1/2000.

White, Ron, How Computers Work, Millennium Ed. Que Corporation, 9/1999.

Derfler, Frank J. et. al. How Networks Work, Millennium Ed., Que Corporation, 1/2000.

Gralla, Preston, How the Internet Works, Millennium Ed., Que Corporation, 8/1999.

Horngren, Charles T., and Sundem, Gary L., Introduction to Financial Accounting, Revised 3<sup>rd</sup> Ed., Prentice-Hall, Inc., 1988.

See also Appellants' Information Disclosure Statement (Paper No. 4) filed September 9, 2002.

**(10) Grounds of Rejection**

The following grounds of rejection are applicable to the appealed claims:

***-Principle Rejections***

1. Claims 1, 3, and 31-34 are rejected under 35 U.S.C. §102(e) as being anticipated by Sone (U.S. 6,204,763 B1) ("Sone").
2. Claims 2, 4-15, and 35 are rejected under 35 U.S.C. §103(a) as being unpatentable over Sone in view of Salvo et. al. (U.S. 6,341,271) ("Salvo"). This rejection relies on the anticipation rejection of claims 1, 3, and 31-34 noted above.

***- Alternative Rejections***

3. Claims 1, 3, and 31-34 are alternatively rejected under 35 U.S.C. §103(a) as being unpatentable over Sone in view of Kawashima et. al. (U.S. 5,168,445) ("Kawashima").<sup>1</sup>
4. Claims 2, 4-15, and 35 are alternatively rejected under 35 U.S.C. §103(a) as being unpatentable over the Sone/Kawashima combination noted above and in further view of Salvo. This rejection relies on the obviousness rejection of claims 1, 3, and 31-34 noted above.

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<sup>1</sup> See MPEP §2112 expressly authorizing alternative §102/§103 rejections when the question of inherency is present in the anticipation rejection.

**(11) Acknowledgments & Other Preliminary Matters**

5. An appeal conference was held on or about July 13, 2004. In addition to the Examiner of record, Primary Examiner Richard Chilcot and Supervisory Patent Examiner Joseph Thomas were present.

6. This application currently contains claims 1-15 and 31-35. All pending claims are on appeal.

7. Unless expressly noted otherwise by the Examiner, the following two (2) citations to the Manual of Patent Examining Procedure ("MPEP") apply to this Answer: MPEP citations to Chapters 100, 200, 500, 600, 700, 1000, 1100, 1300, 1400, 1500, 1700, 1800, 2000, 2100, 2200, 2500, 2600, and 2700 are from the MPEP 8<sup>th</sup> Edition, Rev. 2, May 2004. All remaining MPEP citations are from MPEP 8<sup>th</sup> Edition, August 2001.

8. All references in this Answer to the capitalized versions of "Appellants" or "Applicants" refers specifically the Appellants in this appeal. References to lower case versions of "appellants" or "applicants" refers to any or all patent appellant(s) or applicant(s) in general. Unless expressly noted otherwise, references to "Examiner" in this Answer refers to the Examiner of record while references to the lower case version of "examiner" refers to examiner(s) generally.

9. A 'Table of Contents' is provided. The Examiner highly recommends the Board use the Table of Contents as an outline or for assisting the Board in understanding the arguments discussed in this Answer.

10. Paragraph numbering in this Answer is also provided for reference purposes.

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**(12) *New Issues in This Appeal***

11. The Examiner recognizes that the Board of Patent Appeals and Inferences (“Board”) has the power to examine or reexamine patent claims and raise issues sua sponte.

The members of the Board of Appeals are denominated ‘examiners-in-chief’ in both 35 U.S.C. 3 (‘Officers and employees’) and 35 U.S.C. [6]. The title chosen by the Congress implies that the members of the board have authority to *examine or reexamine* appealed claims. [Emphasis in original]. *In re Loehr*, 500 F.2d 1390, 1392-93, 183 USPQ 56, 58 (CCPA 1974).

12. However it also well known that arguments which Appellants could have made but chose not to make in their brief should not be considered by the Board. See 37 C.F.R. §1.192(a) (“Any arguments or authorities not included in the brief will be refused consideration by the Board of Patent Appeals and Interferences, unless good cause is shown.”).

13. The Examiner also notes that the Board is titled the “Board of Patent Appeals”<sup>2</sup> and not the ‘Board of Initial Examination.’ By restricting the Board to only *appeals*, the Board’s valuable time is not be wasted. Furthermore, while the Examiner recognizes that due process is an important consideration of the USPTO, Appellants are not pro se and are represented by presumptively competent counsel who could have raised any issue deemed meritorious to their case prior to this appeal.

14. In light of the above and because the Examiner is not aware of the “good cause” as required by 37 C.F.R. §1.192(a), the Examiner respectfully requests the Board to refrain from addressing issues sua sponte. While the Board clearly has the authority to raise such issues, a decision by the Appellants or the Examiner on whether or not to raise a particular issue is formed

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<sup>2</sup> The formal name as stated in 35 U.S.C. §6(a) is the “Board of Patent Appeals and Inferences.”

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only after careful consideration of the extensive administrative record. Other issues may have been contemplated and investigated by Appellants or the Examiner yet not found in the written record because such arguments were considered unsupportive, weak, or tangential to the issues presented herein.

15. Nevertheless, because the Board frequently addresses issues sua sponte, an examiner's only recourse is to anticipate such issues in his or her answer. In this case, the Examiner has tried to address issues that have been brought to the Examiner's attention in the past by both the Board and other applicants. While this increases the size of the Answer, it is believed to be the only way the Examiner can provide arguments on those issues.

### ***(13) Prosecution History***

16. In order for the Board to have a better understanding of the prosecution history and to aid in reference to the various office actions and responses pertinent to this appeal, the Examiner notes the following:

17. A five way restriction was mailed to Appellants on July 23, 2002 ("Restriction"). On August 8, 2002, Appellants elected without traverse to prosecute Group 1 and Species A which includes claims 1-15 and 31-35.

18. The first office action on the merits<sup>3</sup> was mailed on September 5, 2002 ("First Non-Final Office Action"). Appellants responded with an amendment ("Amendment B") and remarks on

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<sup>3</sup> For a definition of "on the merits," see *In re Harnisch*, 631 F.2d 716, 721, 206 USPQ 300, 304 (CCPA 1980)("In the PTO, patent applications are examined for compliance with the statutory provisions of Title 35, United States Code, as set forth in sections 100, 101, 102, 103, and 112. These are considered to be examinations 'on the merits.'").

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January 6, 2003 ("Appellants' First Response"). The Examiner responded with a final rejection mailed March 31, 2003 ("First Final Office Action"). Appellants responded to the First Final Office Action with a request for reconsideration on June 6, 2003 ("Appellants' Second Response"). The request was denied by the Examiner in an advisory action mailed July 2, 2003.

19. Appellants filed a Notice of Appeal on July 30, 2003. In response to the Notice of Appeal, the Examiner noted errors in the First Final Rejection and followed up with an additional final rejection addressing Appellants' arguments. The second final rejection was mailed on August 14, 2003 ("Second Final Office Action"). In response to the Second Final Office Action, Appellants filed an appeal brief on October 17, 2003 ("First Appeal Brief"). In response to the First Appeal Brief, the Examiner reopened prosecution and responded with a non-final rejection ("Previous Office Action") mailed February 17, 2004. In response to the Previous Office Action, Appellants responded with their second appeal brief filed on April 15, 2004 ("Second Appeal Brief"). This Answer follows Appellants' Second Appeal Brief.

20. MPEP §1208 expressly states, "An examiner's answer should not refer, either directly or indirectly, to more than one prior Office action." Because of this MPEP provision, the Examiner has incorporated into this Answer various sections and/or paragraphs from previous office actions and Appellant responses. While this unfortunately increases the size of this Answer, it nevertheless complies with MPEP §1208.

***(14) Summary of the Prior Art***

21. Appellants are reminded that what a reference teaches is a question of fact. "What a reference teaches and whether it teaches toward or away from the claimed invention are

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questions of fact.” *Winner Int’l Royalty Corp. v. Wang*, 202 F.3d 1340, 53 USPQ2d 1580, 1587 (Fed. Cir. 2000) citing *In re Bell*, 991 F.3d 781, 784, 26 USPQ2d 1529, 1531 (Fed. Cir. 1993).

During ex parte examination, examiners are required to make these factual determinations.<sup>4</sup>

Thus, the following is a basic discussion of certain prior art documents which are of particular interest in this appeal. While all documents of record are not addressed, the documents discussed below are believed to be of significant importance and provide direct or indirect support for the factual and legal conclusion made by either the Examiner or the Board.

### Sone

22. Sone relates generally to an automated inventory system.<sup>5</sup> While Sone is primarily directed to a household automated inventory system, Sone also recognizes that automated inventory systems for manufactures and wholesale facilities is old and well known in the art.<sup>6</sup> Sone therefore concentrates on the household side of the automated inventory system. Some of the details of this automated inventory system will be discussed below. Finally, Sone recognizes

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<sup>4</sup> See *In re Berg*, 320 F.3d 1310, 1315, 65 USPQ2d 2003, 2007 (Fed. Cir. 2003) (“As persons of scientific competence in the fields in which they work, examiners and administrative patent judges on the Board are responsible for making findings, informed by their scientific knowledge, as to the meaning of prior art references to persons of ordinary skill in the art . . . .”); *Waldemar Link GmbH & Co. v. Osteonics Corp.*, 32 F.3d 556, 558, 559, 31 USPQ2d 1855, 1857 (Fed. Cir. 1994) (“During the prosecution of the parent application, the patent Examiner acts as a factfinder.”).

<sup>5</sup> “The present invention relates generally to automated inventory systems and relates more particularly to a household consumable item automatic replenishment system and method . . . .” Sone, Col. 1, ~ lines 6-8.

<sup>6</sup> “Automated inventory systems for facilitating the replenishment of goods, particularly at manufacturing and wholesale facilities, are also well known.” Sone, Col. 1, ~ lines 58-64.

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that other modifications and additions may be made without departing from the spirit of the invention.<sup>7</sup>

**Salvo**

23. Salvo discloses vendor managed inventory systems which are generally “related to inventory management systems and methods. In particular, the invention is related to *vendor-managed* inventory systems and methods. Prior inventory management systems and methods involved a large number of manually conducted tasks. These systems were labor intensive. [Emphasis added.]”<sup>8</sup> Salvo thus recognizes that it would be useful to automate most of these labor intensive tasks using various computers and computer networks and to provide this information to the various users or persons in the system:

Therefore, a system, which provides real-time inventory management of supply at a site, including comparative pricing and purchasing abilities, would be desirable. Further, a system that provides an ability to interact and send information to a vendor’s manufacturing schedule, forecast possible manufacturing based on historical, estimated future, or market data and indicators; and provide a display of data in a useful format to a vendor, customer, manufacturer, and others that desire the information, would be useful.<sup>9</sup>

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<sup>7</sup> “It is understood that the exemplary household consumable item automatic replenishment system, including intelligent refrigerator, described herein and shown in the drawings represents only a presently preferred embodiment of the invention. Indeed, various modifications and additions may be made to such embodiment without departing from the spirit and scope of the invention.” Sone, Column 9, ~ Lines 41-47.

<sup>8</sup> Salvo, Column 1, ~ Lines 5-11.

<sup>9</sup> Salvo, Column 2, ~ Lines 43-52.



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24. Additionally, the vendor managed inventory system disclosed in Salvo is not limited to a manufacturing site since Salvo directly discloses its use as a generic “inventory vendor.”<sup>10</sup>

25. Regarding some of the specific devices used to exemplify the various embodiments,

Salvo does not limit its disclosure to silos but includes *any* appropriate storage device:

Inventory 150 is stored in a plurality of receptacles 104 at the manufacturing site 103. The receptacles comprise any appropriate storage device, such as, but not limited to, a silo, storage bin, hopper, and bag, and combinations thereof. *The shape and material of each receptacle may differ and do[es] not affect the operation of the inventory management system 100.* The description of the invention refers to a receptacle, however this is not meant to limit the invention in any way, and the description covers *other inventory storage devices* as well. [Emphasis added.]<sup>11</sup>

26. In fact, Salvo contemplates inventory deliveries of “perishable goods”<sup>12</sup> such as milk and its storage within a refrigerator or “temperature” sensitive device.<sup>13</sup> Salvo also discloses that control unit 114 as shown in Figure 1 is implemented with a general purpose computer.<sup>14</sup> See How Computers Work, pages 12 and 13 for evidence of what specific elements are inside a general purpose computer.

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<sup>10</sup> “The inventory management method information concerning inventory amounts and inventory ordering [is related] to a manufacturing site, an inventory vendor, or both.” Salvo, Column 3, ~ Lines 7-10.

<sup>11</sup> Salvo, Column 4, ~ Lines 12-21.

<sup>12</sup> “especially if the inventory may be considered hazardous or perishable.” Salvo, Column 6, ~ Lines 45-46.

<sup>13</sup> “[T]he indicator 108 may also measure amount influencing variables, such as, humidity and temperature. These indicators are merely exemplary, and are not meant to limit the scope of the invention in any way.” Salvo, Column 4, ~ Lines 42-45.

<sup>14</sup> “The control unit 114 can also be implemented using a suitably programmed general-purpose computer, such as a microprocessor or microcontrol, or other processor device, such as a Central Processing Unit (CPU) or Main Processing Unit (MPU), either alone or in conjunction with one or more peripheral data and signal processing devices.” Salvo, Column 5, ~ Lines 58-64.

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27. Finally, Salvo discloses how a vendor 200 may check and confirm a paper order placed by telephone by a purchasing agent. By automating this process, the system reduces occurrences of incorrect orders.<sup>15</sup>

28. In conclusion, because the shape and material of each receptacle may differ and does not affect the operation of the inventory management system, Salvo discloses an automated inventory system used by any inventory vendor.

### Kawashima

29. Kawashima discloses an automated ordering system for a “supermarket or the like:”

This invention relates to a system of ordering goods at a retail shop and more particularly to an automatic ordering system suitable for ordering work and inventory control of goods distributed daily, such as are sold in mass at a supermarket or the like, for which demand changes greatly.<sup>16</sup>

30. Kawashima also recognizes *why* an automated inventory system for a supermarket is desirable. Specifically, it is desirable for the supermarket purchasing agent or caretaker to utilize various demand factors for each of the individual goods sold in the supermarket in conjunction with actual sales data. This assists in determining which items to stock in the supermarket, the quantities of those items, and when to restock the those items.

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<sup>15</sup> “Another inventory management system 100 benefit arises from an interaction of a vendor 200 with the inventory management system 100 that permits the vendor 200 to check and confirm that an order, for example a paper order placed by a purchasing agent, is needed at the manufacturing site 103. The inventory management system 100 automates the inventory management process and reduces occurrences of incorrect orders.” Salvo, Column 9, ~ Lines 58-65.

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An object of this invention is to provide an automatic ordering system which can enable the stock caretaker, such as a shop manager, to understand and utilize factors of changing demand for individual goods to assist him in the determination of the order amount to replenish inventory and diagnosis of the stock volume of individual goods in accordance with the condition or status of his own shop.<sup>17</sup>

31. A typical ordering process for a supermarket is as follows:

In ordering new goods to replenish depleted inventory work, lead time for procurement of delivered goods (hereinafter referred to as delivery lead time) is set and the delivery lead time is a few days after the date of ordering goods. Accordingly, it is necessary to forecast or predict the volume of sales occurring before the delivery lead time and determine the amount of orders (ordered goods) by taking into account the volume of inventories at an ordering time point and the safe total stock which is set to prevent out-of-stock. In case where the ordering cycle (equivalent to an interval of time between adjacent orders) is shorter than the delivery lead time, the amount of orders must be determined by additionally taking into account the amount of previously ordered goods which are scheduled to be delivered before the current delivery lead time.<sup>18</sup>

32. To help analyze and predict the needed inventory, point of sale ("POS") data or actual sales data (*i.e.* item and quantity sold) is used. This POS data can be used to determine actual inventory and sold inventory since Kawashima discloses—and one of ordinary skill in the art recognizes—that the inventory is recorded upon both entry to the supermarket and exit from the supermarket.<sup>19</sup>

33. Predicting sales volume of particular goods is done in many ways including but not limited to weekly, monthly, or yearly in order to prepare an appropriate selling plan

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<sup>16</sup> Kawashima, Column 1, 7-12.

<sup>17</sup> Kawashima, Column 1, 35-42.

<sup>18</sup> Kawashima, Column 2, 37-52.

<sup>19</sup> "An automatic ordering system according to this embodiment is supplied, in advance, with POS data indicative of actual results of selling and stock data indicative of actual stock of goods." Kawashima, Column 2, 62-65.

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and efficient operation of the supermarket. "This ensures that preparation of a business plan and efficient conduction of business at the shop."<sup>20</sup>

**Peterson**

34. Peterson disclose an exemplary e-commerce system.

**Sokol**

35. Sokol discloses an exemplary Electronic document interchange ("EDI") system which is old and well known in the art. Moreover, Sokol describes how lower inventories are considered more desirable in today's business climate.<sup>21</sup> Just in time ("JIT") manufacturing and JIT inventories are considered one of the most efficient ways of operating a business.<sup>22</sup>

36. Sokol also discloses how exchanging information electronically is critical in today's business climate. Sokol recognizes that "handling of paper is very labor intensive" and discusses the problems associated with paper transactions.<sup>23</sup> Sokol also recognizes the problems associated with data entry systems which are electronic/paper hybrids and the need for a fully automated purchasing system.<sup>24</sup>

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<sup>20</sup> Kawashima, Column 8, 37-43.

<sup>21</sup> Sokol, Page 4.

<sup>22</sup> Sokol, Page 4-5.

<sup>23</sup> Sokol, Page 7.

<sup>24</sup> Sokol, Page 7-9.

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37. Finally, Sokol also discusses the use of EDI in the grocery industry and how EDI within this industry has been used for “some time.”<sup>25</sup> The use of microcomputers by wholesalers and retailers and their use in ordering goods is also well documented.<sup>26</sup>

**Poirier**

38. Poirier is a basic reference disclosing many facets of an electronic supply chain system. Poirier recognizes the importance of the Internet and its use within an electronic supply chain management system. (For elements of the Internet that are old and well known in the art, see How the Internet Works). Poirier contains a wealth of information regarding supply chain management that reflects the current state of the art.

**Horngren**

39. Horngren is a general accounting textbook that teaches basic accounting principles which must be following by most U.S. companies and corporations including small and large supermarkets. In particular, Horngren discloses how inventories are tracked and aggregated for, inter alia, financial purposes.

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<sup>25</sup> Sokol, Chapter 8, beginning on Page 133.

<sup>26</sup> Sokol, Page 136-146.

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***(15) Response to Argument***

**A. Summary of the Examiner's Arguments**

**(I) The Rejections**

40. It is the Examiner's principle position that claims 1, 3, and 31-34 are rejected under 35 U.S.C. §102(e) as being anticipated by Sone. In these rejections, the Examiner relies in part on inherency. This rejection directly corresponds to Appellants' "Group 1" in § (7) Grouping of Claims, *supra*.

41. Claims 2, 4-15, and 35 are rejected under 35 U.S.C. §103(a) as being unpatentable over Sone in view of Salvo. For purposes of this appeal, Appellants have elected to break this rejection into two groups with the first group comprising claims 2, 4-11 and 35 and the second group comprising claims 12-15. The Examiner will therefore only address claims 2 and 12 within this obviousness rejection.

42. If the Board finds that claims 1, 3, and 31-34 are not anticipated Sone, claims 1, 3, and 31-34 are alternatively rejected under 35 U.S.C. §103(a) as being unpatentable over Sone in view of Kawashima. Because any obviousness rejections based upon this alternative position must also include Kawashima, claims 2, 4-15, and 35 are technically rejected under 35 U.S.C. §103(a) as being unpatentable over the Sone/Kawashima combination and in further view of Salvo.

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**(II) Merits of the Rejections**

43. The Examiner has established a prima facie case of anticipation for claim 1 (*i.e.* Group

1). Applicants arguments have not overcome this prima face case.

44. The Examiner has also established a prima facie case of obviousness for claim 2 (*i.e.*

Group 2). Appellants' arguments have also not overcome the prima facie case. Additionally, the

Examiner has also established a prima facie case of obviousness for claim 12 (*i.e.* Group 3). And

like claim 2, Appellants have not overcome the obviousness rejection of claim 12.

45. Finally, Appellants' other arguments have been considered but not persuasive.

**B. Group 1: Claims 1, 3, and 31-34**

46. Claims 1, 3, and 31-34 are rejected under 35 U.S.C. §102(e) as being anticipated by

Sone. As noted above, these claims stand or fall together with claim 1.

**(I) The Examiner's Prima Facie Case**

**a. Claim Construction**

47. The first step in establishing a prima facie case of anticipation is construing the claims.<sup>27</sup>

Claim construction is a question of law. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1454,

46 USPQ2d 1169, 1174 (Fed. Cir. 1998) (en banc). Additionally, "[i]t is the *claims* that measure

the invention. [Emphasis in original.]" *Johnson & Johnston Associates Inc. v. R.E. Service Co.*,

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<sup>27</sup> See *United States Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 41 USPQ2d 1225, 1236 (Fed. Cir. 1997)( "Claim construction is a matter of resolution of disputed meanings and technical scope, to clarify and when necessary to explain what the patentee covered by the claims . . . .").

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285 F.3d 1046, 1052, 62 USPQ2d 1225, 1228 (Fed. Cir. 2002) (en banc) (citations omitted).<sup>28</sup>

The en banc court in *Johnson & Johnston Associates* noted that not only did the claims legally define the invention,<sup>29</sup> the claims also provided the necessary notice regarding the scope of protection.

Both the Supreme Court and this court [the Federal Circuit] have adhered to the fundamental principle that claims define the scope of patent protection. The claims thus give notice of the scope of patent protection. The claims give notice both to the examiner at the U.S. Patent and Trademark Office during prosecution, and to the public at large, including potential competitors, after the patent has issued.

Consistent with its scope definition and notice functions, the claim requirement presupposes that a patent applicant defines his invention in the claims, not in the specification. *Johnson & Johnston Associates*, 285 F.3d at 1052, 62 USPQ2d at 1228-29 (citations omitted).

48. Next, when construing claims “[t]he general rule is, of course, that terms in the claim are to be given their ordinary and accustomed meaning.” *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).<sup>30</sup> In other words, “there is a heavy presumption in favor of the ordinary meaning of claim language as understood by one of

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<sup>28</sup> See also *SRI Int’l v. Matsushita Elec. Corp.*, 775 F.2d 1107, 1121, 227 USPQ 577, 586 (Fed. Cir. 1985) (en banc) (noting that it is the claim language which defines claim scope); and *Tate Access Floors Inc. v. Interface Architectural Resources Inc.*, 279 F.3d 1357, 1370, 61 USPQ2d 1647, 1656 (Fed. Cir. 2002) (“Claim interpretation begins, as always, with the language of the claims.”).

<sup>29</sup> See also *S3 Inc. v. nVIDIA Corp.*, 259 F.3d 1364, 1369, 59 USPQ2d 1745, 1748 (Fed. Cir. 2001) (“The purpose of claims is not to explain the technology or how it works, but to state the legal boundaries of the patent grant.”) (citations omitted).

<sup>30</sup> It is the Examiner’s position that “plain meaning” and “ordinary and accustomed meaning” are synonymous. See e.g. *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342, 60 USPQ2d 1851, 1854 (Fed. Cir. 2001) (“[A]ll terms in a patent claim are to be given their plain, ordinary and accustomed meaning . . .”).



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ordinary skill in the art.” *Bell Atlantic Network Services Inc. v. Covad Communications Group Inc.*, 262 F.3d 1258, 1268, 59 USPQ2d 1865, 1870 (Fed. Cir. 2001) (citations omitted).<sup>31</sup>

49. It must be noted that to overcome this “heavy presumption” in favor of the ordinary and accustomed meaning, a party must do so by ‘clear and convincing’ evidence.<sup>32</sup> Because the use of a “presumption” alone implies just a ‘preponderance of the evidence,’<sup>33</sup> it is the Examiner’s position that the use of the terms “heavy presumption” or “strong presumption” implies a standard *higher* than a preponderance. In other words, if *e.g.* a party needed only ‘preponderance of the evidence’ to invoke lexicography, the Federal Circuit would have simply used ‘presumption’ instead of “*heavy* presumption.” So that the word “heavy” or “strong” is not vitiated, the standard for lexicography invocation must be at least *greater than* a ‘preponderance of the evidence.’ And because ‘clear and convincing evidence’ is the next standard above

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<sup>31</sup> See also *Teleflex Inc. v. Ficosa North America Corp.*, 299 F.3d 1313, 1325, 63 USPQ2d 1374, 1380 (Fed. Cir. 2002) (“We indulge a heavy presumption that a claim term carries its ordinary and customary meaning.”) (citations and quotations omitted); and *Deering Precision Instruments L.L.C. v. Vector Distribution Systems Inc.*, 68 USPQ2d 1716, 1721 (Fed. Cir. 2003) (“Generally speaking, we indulge a ‘strong presumption’ that a claim term carries its ordinary and customary meaning.”) citing *Tate Access Floors, Inc. v. Interface Architectural Res., Inc.*, 279 F.3d 1357, 1369, 61 USPQ2d 1647 (Fed. Cir. 2002).

<sup>32</sup> Clear and Convincing Proof: “That proof which results in reasonable certainty of the truth of the ultimate fact in controversy. Proof which requires more than a preponderance of the evidence but less than proof beyond a reasonable doubt. Clear and convincing proof will be shown where the truth of the facts asserted is highly probable.” Black’s Law Dictionary, Abridged 6th Ed., West Publishing Co., 1991.

<sup>33</sup> Preponderance of the Evidence : “The greater weight of the evidence; the burden of proof in a civil trial which the jury is instructed to find for the party that, on the whole, has the stronger evidence, however slight the edge might be. —Also termed *preponderance of proof*, *balance of probability*. Cf. *clear and convincing evidence* under EVIDENCE.” *Id.*

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‘preponderance of the evidence,’<sup>34</sup> logic dictates that the standard for lexicography invocation (at least inter partes litigation) must be ‘clear and convincing evidence.’

**(i) During Ex Parte Examination – A Distinction With A Difference**

50. As noted continuously by the Examiner throughout the prosecution of this application,<sup>35</sup> during ex parte examination, claims are given their “broadest reasonable interpretation . . . consistent with the specification.” *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997); *In re Prater*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969).<sup>36</sup>

51. In fact, the requirement that an examiner interpret the claims with the “broadest reasonable interpretation” is not optional; “an examiner has the *duty* to police claim language by giving it the broadest reasonable interpretation . . . . [Emphasis added.]” *Spring Window Fashions LP v. Noyo Indus., L.P.*, 323 F.3d 989, 994, 65 USPQ2d 1826, 1830 (Fed. Cir. 2003) (citations omitted).

52. While the Examiner noted above that the ‘clear and convincing’ standard is the standard need to invoke lexicography during inter partes litigation, logic dictates that it is also the standard for lexicography invocation and thus deviation from a term’s “broadest reasonable interpretation” during ex parte examination.

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<sup>34</sup> See *e.g. Buildex Inc. v. Kason Indus., Inc.*, 849 F.2d 1461, 1463, 7 USPQ2d 1325, 1327 (Fed. Cir. 1988) (noting that the ‘clear and convincing’ standard is an intermediate standard which lies between ‘beyond a reasonable doubt’ and a ‘preponderance of the evidence.’)(citations omitted).

<sup>35</sup> See: the Previous Office Action, Paragraph No. 15, Page 10; the Second Final Office Action, Paragraph No. 12, Page 9; the First Final Office Action, Paragraph No. 11, Page 8; and the First Non Final Office Action, Paragraph No. 12, Page 8.

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53. Consistent with *Morris*, the “broadest reasonable interpretation” of a term used during ex parte examination includes but is not limited to, all of the term’s ordinary and accustomed meanings.<sup>37</sup> In fact, in ex parte cases, the Federal Circuit sometimes interchanges or substitutes “broadest reasonable interpretation” with ‘ordinary and accustomed meaning.’ See e.g. *In re Bass*, 314 F.3d 575, 577, 65 USPQ2d 1156, 1158 (Fed. Cir. 2002) (“In examining a patent claim, the PTO must apply the *broadest reasonable meaning* to the claim language . . . . Words in a claim are to be given their *ordinary and accustomed meaning* unless the inventor chose to be his own lexicographer in the specification. [Emphasis added.]”).

54. Moreover, arguments that the ‘clear and convincing evidence’ standard for lexicography invocation arises only after issuance and thus applies only to the inter partes litigation (*i.e.* ‘ordinary and accustomed meaning’) are not persuasive. The Examiner agrees that 35 U.S.C. §282 bestows a presumption of *validity* on issued patents. Therefore differing standards arise for *validity* (or invalidity) purposes only. See e.g. *In re Caveney*, 761 F.2d 671, 674, 226 USPQ 1, 3 (Fed. Cir. 1985) (“From *In re Etter*, 756 F.2d 852, 225 USPQ 1 (Fed. Cir. 1985) (en banc), it is apparent that, due to 35 U.S.C. §282, the standard of proof required to properly reject the claims of a patent application is necessarily lower than that required to invalidate patent

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<sup>36</sup> See also MPEP §2111; *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc).

<sup>37</sup> Note that the converse is not necessarily true. Not all ‘broadest reasonable interpretations’ fit within a term’s ‘ordinary and accustomed meanings.’ See e.g. *Intellectual Property Development Inc. v. UA-Columbia Cablevision of Westchester Inc.*, 336 F.3d 1308, 1315, 67 USPQ2d 1385, 1390 (Fed. Cir. 2003)(while *Morris* allows virtually all reasonable dictionary definitions within the rubric of the ‘broadest reasonable interpretations,’ the court in this case noted that “the dictionary definition that is most consistent with the specification and the prosecution history is the definition that defines ‘high frequency’” and thus becomes the ordinary and accustomed meaning).

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claims”). However as noted earlier, claim construction is a question of law and is not necessarily a *validity* determination. Therefore 35 U.S.C. §282 can not change the standard for claim construction.<sup>38</sup> In other words, §282 can not bestow any deference between two valid claim constructions. Because 35 U.S.C. §282 can not change the standard for claim construction, if ‘clear and convincing evidence’ is the standard used during inter partes litigation to determine if an applicant desires to be his or her own lexicographer, the Examiner concludes that ‘clear and convincing evidence’ is the standard needed to invoke lexicography during to ex parte examination.

#### (ii) In Light of the Specification

55. It is equally important to remember that although the claims are interpreted in light of the specification—or as in *Morris*, consistent with the specification—limitations from the specification are not read into the claims.<sup>39</sup> However the familiar canons of claim construction must be secondary to the fundamental principle that the claim defines the scope of patent protection, *Johnson & Johnston Associates*, 285 F.3d at 1052, 62 USPQ2d at 1228-29 (citations omitted). Thus, the issue of understanding the role of the specification in construing the claims

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<sup>38</sup> See e.g. the discussion of 35 U.S.C. §112 6<sup>th</sup> paragraph, *infra*. The use of “means” as a presumption for invoking §112 6<sup>th</sup> paragraph (and thus the standard for invoking §112 6<sup>th</sup> paragraph) applies equally to both ex parte examination and inter partes litigation alike. Determining the invocation of §112 6<sup>th</sup> paragraph is therefore not a *validity* determination.

<sup>39</sup> See e.g. *In re Van Guens*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). See also *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186, 48 USPQ2d 1001, 1005 (Fed. Cir. 1998) (citations omitted) (“[W]hile . . . claims are to be interpreted in light of the specification and with a view to ascertaining the invention, it does not follow that limitations from the specification may be read into the claim.”).

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has become especially confusing and the subject of much litigation.<sup>40</sup> Circuit Judge Dyk even acknowledged this confusion when he stated that “our decisions provide inadequate guidance as to when it is appropriate to look to the specification to narrow the claim by interpretation and when it is not appropriate to do so. Until we provide better guidance, I fear that the lower courts and litigants will remain confused.”<sup>41</sup>

56. As in *Teleflex*, the Federal Circuit has restricted the importation of the specification into the claims in some situations while, on the other hand, allowed importation of the specification into the claims in other situations.<sup>42</sup> As a result, these claim misinterpretations continue and become at least one factor (if not a significant factor) in the lack of claim construction predictability.<sup>43</sup> One commentator has suggested that implicit in this lack of claim construction predictability is the conclusion that the reversal rate is far too high for the legal and business communities to have confidence in the predictability of patent infringement lawsuits.<sup>44</sup> In turn,

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<sup>40</sup> See e.g. *Teleflex Inc. v. Ficosa North America Corp.*, 299 F.3d 1313, 1326, 63 USPQ2d 1374 1381 (Fed. Cir. 2002) (“The role of the specification in construing the claims is in dispute in this case.”).

<sup>41</sup> *SciMed Life Sys., Inc. v. Adv. Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1347, 58 USPQ2d 1059, 1068 (Fed. Cir. 2001) (Dyk, J. concurring).

<sup>42</sup> See e.g. *In re Glaug* 283 F.3d 1335, 62 USPQ2d 1151 (Fed. Cir. 2002) where the court erroneously read the specification into the claim and didn’t even mention—let alone analyze—the well established “broadest reasonable interpretation” standard.

<sup>43</sup> Moore, Kimberly A., *Are District Court Judges Equipped to Resolve Patent Cases?*, 15 Harv. J.L. & Tech. 1 (2001), republished in 12 Fed. Circuit B.J. 1 (2002) where the author concluded there was a 33% reversal rate on claim construction issues before the Federal Circuit resulting in reversing or remanding the case 81% of the time.

<sup>44</sup> Banner, Mark T., *Is Markman Right?*, The American Bar Association Section of Intellectual Property Law, Chair’s Bulletin, Vol. 6, No. 3, (November 2002).

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this lack of confidence tends to degrade the entire patent system and one of the pillars upon which our entire intellectual property system is based.

As Professor Moore suggested, practitioners have experimented and attempted to bring order and predictability to this area of patent law. For example, one attempt cautions that should the current trend continue, “patentees and third parties may be unable to ascertain, with any degree of accuracy, the scope of their patent.”<sup>45</sup> Others have attempted to break claim interpretation into two main approaches: a “statutory approach” and a “confirmation approach” and call the current doctrine “unsatisfactory.”<sup>46</sup> The confusion however continues. As a result, applicants frequently resort to the “in light of the specification argument” when the words of the claims themselves are no longer adequate to support their proffered interpretation.

#### **(A) The Solution**

57. When construing “in light of the specification,” “consistent with the specification,” “with a view to ascertaining the invention,” “looking to the specification to construe claim terms,” and other similar language, there exists four ways, methods, or factors an applicant or patentee can read the specification into the claims. If an applicant or patentee does not comport his or her arguments into one of the four ways or methods as outlined below, as a matter of law, the phrases “in light of the specification,” “consistent with the specification,” “with a view to ascertaining the invention,” and other similar phrases will have no patentable significance in

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<sup>45</sup> *Id.* at 459.

<sup>46</sup> Ghatt, Dave A., Kang, Timothy B., *Claim Interpretation: A Regression to Uncertain Times*, 84 J.Pat. & Trademark Off. Soc’y 456, 469 (2002).

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claim construction. For example, the “looking to the specification to construe claim terms” as stated *Interactive Gift Express, Inc. v. CompuServe, Inc.*, 256 F.3d 1323, 59 USPQ2d 1401, 1407 (Fed. Cir. 2001) means that a reviewing body should look to the specification to see if one of the four methods of reading the specification into the claims as outlined below are present in the case. If none of the four factors are present, it is improper to read the specification into the claims.

Finally, while all four factors are clearly available in inter partes litigation (*e.g.* a patent infringement suit), the Examiner will show that only Factors #1 and #4 are available during ex parte examination. While a district court may look at a single patent case within a two week time frame allowing the court ample time to investigate all four factors, this is not the case at the USPTO. The administrative process at the USPTO—where thousands and thousands of claim interpretations are done every day—demands a predictable, consistent, and easily applicable rule which will add certainty to the claim interpretation process.

#### **(B) The 4 Exceptions: 4 Ways to Get the Specification into the Claims**

58. There are four (4) ways or methods (hereinafter “factors”) of reading the specification into the claims. Unless an applicant or patentee can utilize one or more of the these four factors, it is improper to read the specification into the claims.

[We] ... may constrict the ordinary meaning of a claim term in at least one of four ways. First, the claim term will not receive its ordinary meaning if the patentee acted as his own lexicographer and clearly set forth a definition of the disputed claim term in either the specification or prosecution history. . . . Second, a claim term will not carry its ordinary meaning if the intrinsic evidence shows that the patentee distinguished that term from prior art on the basis of a particular embodiment, expressly disclaimed subject matter, or described a particular

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embodiment as important to the invention. . . . Third, . . . a claim term also will not have its ordinary meaning if the term chosen by the patentee so deprives the claim of clarity as to require resort to the other intrinsic evidence for a definite meaning. . . . Last, as a matter of statutory authority, a claim term will cover nothing more than the corresponding structure or step disclosed in the specification, as well as equivalents thereto, if the patentee phrased the claim in step- or means-plus-function format. *CCS Fitness Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366-67, 62 USPQ2d 1658, 1662-63 (Fed. Cir. 2002) (citations and internal quotations omitted).<sup>47</sup>

### I. CSS Fitness Factor #1: Lexicography

59. “It is black letter law that a patentee can choose to be his or her own lexicographer by clearly setting forth an explicit definition for a claim term that could differ in scope from that which would be afforded by its ordinary meaning.” *Jack Gluttman, Inc. v. Kopykake Enterprises, Inc.*, 302 F.3d 1352, 1360, 64 USPQ2d 1302, 1307 (Fed. Cir. 2002) (citations and quotations omitted). “In short, the presumption in favor of a dictionary definition will be overcome where the patentee, acting as his or her own lexicographer, has clearly set forth an explicit definition of the term different from its ordinary meaning.” *Texas Digital Systems, Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1204, 64 USPQ2d 1812, 1819 (Fed. Cir. 2002) (a claim’s ordinary meaning, which in this case was a dictionary definition, is overcome if patentee is acting as their own lexicographer).

60. There are many two (2) primary reasons for invoking lexicography. First, an applicant may use lexicography when he or she is unsure of a term’s meaning or when an applicant desires to define an entirely new term. “This is done in order to hold open the possibility of obtaining a patent where an inventor is not schooled in the terminology of the technical art to which his

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<sup>47</sup> The four methods enumerated in *CCS Fitness* are really not new. *CCS Fitness* however was one of the first Federal Circuit cases to clearly and succinctly enumerate all four factors in a single case. For this reason, the Examiner will henceforth refer to these factors, methods, or ways, as “the Four *CCS Fitness* Factors” or the “the Four *CCS Fitness* Methods.”



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invention pertains or where there is a need to coin new expressions with which to communicate that invention.” *Lear Siegler, Inc. v. Aeroquip Corp.*, 733 F.2d 881, 221 USPQ 1025, 1031 (Fed. Cir. 1984)(citations omitted).<sup>48</sup>

61. Second and more comonly, lexicography may be used to *redefine* a claim term which already pocesses a clear, ordinary and accustomed meaning. “But even where the claim language is not ambiguous, the prosecution history limits the interpretation . . . . Thus, the prosecution history limits even clear claim language . . . .” *Schumer v Laboratory Computer Systems, Inc.*, 308 F.3d 1304, 1313, 64 USPQ2d 1832, 1839 (Fed. Cir. 2002) (citations and quotations omitted).

62. This ‘redefined term’ or lexicographic definition is not limited by known usages either. The redefined term or lexicographic definition may be *contrary to* or *inconsistent with* one or more of the term’s ordinary meanings. “It is a well-established axiom in patent law that a patentee is free to be his or her own lexicographer and thus may use terms in a manner contrary to or inconsistent with one or more of their ordinary meanings.” *Hormone Research Found., Inc. v. Genentech, Inc.*, 904 F.2d 1558, 1563, 15 USPQ2d 1039, 1043 (Fed. Cir. 1990). The redefined term or lexicographic definition may also *expand* or *further limit* the known ordinary and accustomed meanings. “A patent applicant may consistently and clearly use a term in a manner either more or less expansive than its general usage in the relevant art, thereby expanding

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<sup>48</sup> See also *Goldenberg v. Cytogen Inc.*, 71 USPQ2d 1255, 1259 (Fed. Cir. 2004)( “Where a claim term has no ordinary and customary meaning, a court must resort to the remaining intrinsic evidence—the written description and the prosecution history—to obtain the meaning of that term.” ).

or limiting the scope of the term in the context of the patent claims.” *Alloc Inc. v. ITC*, 68 USPQ2d 1161, 1165 (Fed. Cir. 2003).

63. A redefined term or lexicographic definition is of particular importance during ex parte examination because it is the *primary* way to overcome the broadest reasonable interpretation. In other words, when an applicant acts as his or her own lexicographer and successfully redefines a claim to have a meaning other than its ordinary and accustomed meaning, the claims must be examined using that meaning. See *In re Zletz*, 893 F.2d 319, 321, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989) (“When the Applicant states the meaning that the claim terms are intended to have, the claims are examined with that meaning, in order to achieve a complete exploration of the Applicant's invention and its relation to the prior art.”).<sup>49</sup>

64. To that end and with the ‘clear and convincing evidence’ standard noted above, it is appellants’ burden to overcome the ordinary and accustomed meaning or broadest reasonable interpretation. “[A] party wishing to alter the meaning of a clear claim term must overcome the presumption that the ordinary and accustomed meaning is the proper one, demonstrating why such an alteration is required.” *K-2 Corp. v. Salomon S.A.*, 191 F.3d 1356, 52 USPQ2d 1001, 1004 (Fed. Cir. 1999)(citations omitted). With lexicography in particular, this means that appellants must demonstrate that they have redefined the claim term with the required clarity, deliberateness, and precision. “The patentee’s lexicography must, of course, appear ‘with reasonable clarity, deliberateness, and precision’ before it can affect the claim.” *Renishaw PLC v. Marposs Societa’ per Azioni*, 158 F.3d 1243, 1249, 48 USPQ2d 1117, 1121 (Fed. Cir. 1998) citing *In re Paulsen*, 30 F.3d 1475, 1480, 31 USPQ2d 1671, 1674 (Fed. Cir. 1994).

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<sup>49</sup> See also MPEP §2173.05(a).

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65. In our case, Factor #1 is not at issue. In other words, it is the Examiner's conclusion that Appellants are not, or more precisely, were not their own lexicographer. In this case, because Appellants have not overcome the heavy presumption, lexicography does not apply. Because lexicography is the *primary* way to overcome the broadest reasonable interpretation, the Examiner has gone to great lengths to ensure that his conclusion regarding Factor #1 and lexicography invocation was proper.

66. To support the Examiner's conclusion that Appellants are not their own lexicographer, the Examiner notes the following from previous office actions.

67. In the First Non Final Office Action, the Examiner expressly stated:

After careful review of the specification and prosecution history, the Examiner is unaware of any desire—either expressly or implicitly—by Applicants to be their own lexicographer and define a claim term to have a meaning other than its ordinary and accustom meaning. Therefore, the Examiner starts with the presumption that all claim limitations are given their ordinary and accustom meaning. See *Bell Atlantic Network Services Inc. v. Covad Communications Group Inc.*, 262 F.3d 1258, 1268, 59 USPQ2d 1865, 1870 (Fed. Cir. 2001) (“[T]here is a heavy presumption in favor of the ordinary meaning of claim language as understood by one of ordinary skill in the art.”); *CCS Fitness Inc. v. Brunswick Corp.*, 288 F.3d 1359, 62 USPQ2d 1658, 1662 (Fed. Cir. 2002) (There is a “heavy presumption that a claim term carries its ordinary and customary meaning.”). See also MPEP '2111.01 and *In re Zletz*, 893 F.2d 319, 321, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989).<sup>50</sup>

However, if Applicants do desire any claim limitation to have a meaning other than its ordinary and accustom meaning, the Examiner respectfully requests Applicants in their next response to expressly indicate the claim limitation at issue<sup>51</sup> and to show where in the specification or prosecution history the limitation

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<sup>50</sup> It is the Examiner's position that “plain meaning” and “ordinary and accustom meaning” are synonymous. See e.g. *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342, 60 USPQ2d 1851, 1854 (Fed. Cir. 2001) (“[A]ll terms in a patent claim are to be given their plain, ordinary and accustomed meaning . . .”).

<sup>51</sup> “In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to

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is defined. Such definitions must be clearly stated in the specification or file history. *Bell Atlantic*, 262 F.3d at 1268, 59 USPQ2d at 1870, (A[I]n redefining the meaning of particular claim terms away from the ordinary meaning, the intrinsic evidence must “clearly set forth” or “clearly redefine” a claim term so as to put one reasonably skilled in the art on notice that the patentee intended to so redefine the claim term”).<sup>52</sup> The Examiner cautions that no new matter is allowed.

Failure by Applicants in their next response to address this issue or to be non-response to this issue entirely will be considered a desire by Applicants to give all claim limitations their ordinary and accustomed meaning. The claims are then interpreted with their “broadest reasonable interpretation . . . .” *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997).<sup>53</sup> Applicants are cautioned that even though claim interpretation begins with this presumption, any interpretation disclaimed during prosecution may still further limit that claim element. See *Pall Corp. v. PTI Technologies Inc.*, 259 F.3d 1383, 59 USPQ2d 1763, 1769 (Fed. Cir. 2001).<sup>54</sup>

68. In Appellants’ First Response, Appellants elected not to address this issue. In the next office action ( *i.e.* the First Final Office Action), the Examiner expressly stated:

The Examiner notes that Applicants have decided not to be their own lexicographer by indicating and defining claim limitations to have meanings other than their ordinary and accustomed meanings. Specifically, after receiving notice in

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confine or otherwise affect a patent’s scope must, at the very least, point to a term or terms in the claim with which to draw in those statements.” *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

<sup>52</sup> See also *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582, 39 USPQ2d 1573, 1576 (Fed. Cir. 1996), (“[A] patentee may choose to be his own lexicographer and use terms in a manner other than their ordinary meaning, *as long as* the special definition of the term is *clearly stated* in the patent specification or file history. [Emphasis added.]”); *Multiform Desiccants Inc. v. Medzam Ltd.*, 133 F.3d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998) (“Such special meaning, however, must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention.”). See also MPEP §2111.02, subsection titled “Applicant May Be Own Lexicographer” and MPEP §2173.05(a) titled “New Terminology.”

<sup>53</sup> See also MPEP §2111; *In re Graves*, 69 F.3d 1147, 1152, 36 USPQ2d 1697, 1701 (Fed. Cir. 1995); *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc).

<sup>54</sup> First Non Final Office Action, Paragraph No. 12, beginning on Page 6.

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the previous Office Action<sup>55</sup> of the Examiner's position that lexicography is *not* invoked, Applicants have elected *not* to point out the "supposed errors" in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b) (i.e. Applicants have failed to argue lexicography *is* invoked). To support the Examiner's position that Applicants are not their own lexicographer, it is the Examiner's factual determination that not only have Applicants failed to point to definitional statements in their specification or prosecution history, Applicants have also failed to point to a term or terms in a claim with which to draw in those statements.<sup>56</sup> Finally and to be sure of Applicants' intent, the Examiner also notes that Applicants have declined the Examiner's express invitation<sup>57</sup> to be their own lexicographer.<sup>58</sup> Accordingly and for due process purposes, the Examiner gives notice that for the remainder of the examination process and unless expressly noted otherwise by the Examiner, the heavy presumption in favor of the ordinary and accustomed meaning is not overcome; the claims therefore continue to be interpreted with their "broadest reasonable interpretation . . . ." *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997).<sup>59</sup> The Examiner now relies heavily and extensively on this interpretation.<sup>60</sup> See e.g. *Transclean Corp. v. Bridgewood Servs., Inc.*, 290

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<sup>55</sup> See the Examiner's previous Office Action mailed September 5, 2002, Paper No. 9, Paragraph No. 12.

<sup>56</sup> "In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, at the very least, point to a term or terms in the claim with which to draw in those statements." *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

<sup>57</sup> See again the Examiner's previous Office Action, Paper No. 9, Paragraph No. 12.

<sup>58</sup> The Examiner's request on this matter was reasonable on at least two separate and independent grounds: first, the Examiner's request was simply an express request for clarification of how Applicants intend their claims to be interpreted so that lexicography (or even an *attempt* at lexicography) by Applicants was not inadvertently overlooked by the Examiner. Second, the requirements were reasonable in view of the USPTO's goals of compact prosecution, productivity with particular emphasis on reductions in both pendency and cycle time, and other goals as outlined in the USPTO's *The 21<sup>st</sup> Century Strategic Plan*, February 3, 2003 available at [www.uspto.gov/web/offices/com/strat21/index.htm](http://www.uspto.gov/web/offices/com/strat21/index.htm) (last accessed March 16, 2003).

<sup>59</sup> See also MPEP §2111 and §2111.01; *In re Graves*, 69 F.3d 1147, 1152, 36 USPQ2d 1697, 1701 (Fed. Cir. 1995); *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc).

<sup>60</sup> See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability . . . ." [Emphasis added.]

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F.3d 1364, 1381, 62 USPQ2d 1865, 1877 (Fed. Cir. 2002) ("Because the patentee has not chosen to be his own lexicographer in this instance, [the claimed element] should carry its ordinary meaning . . . .")(Clevenger, J. dissenting in part). Unless expressly noted otherwise by the Examiner, the preceding claim interpretation principles in this paragraph apply to all examined claims currently pending.<sup>61</sup>

69. Appellants' Second Response also failed to address these issues. The Examiner followed up with his Second Final Rejection and stated:

For due process purposes, the Examiner again confirms that Applicants have decided not to be their own lexicographer by indicating and defining claim limitations to have meanings other than their ordinary and accustomed meanings. To support this position, the Examiner again notes the following factual findings as first expounded in the previous Office Actions.<sup>62</sup> First, the Examiner has again carefully reviewed the specification and prosecution history and can not locate any lexicographic definition(s). Second, the Examiner finds that not only have Applicants not pointed to definitional statements in their specification or prosecution history, Applicants have also not pointed to a term or terms in a claim with which to draw in those statements.<sup>63</sup> Third, after receiving express notice of the Examiner's position that lexicography was *not* invoked,<sup>64</sup> Applicants' first response, (i.e. Paper No. 12) did not point out the "supposed errors" in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b) (i.e. Applicants did not argue lexicography *is* invoked). Forth and to be sure of Applicants' intent, the Examiner also notes that Applicants have declined the Examiner's express invitation<sup>65</sup> to be their own lexicographer.<sup>66</sup>

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<sup>61</sup> First Final Office Action, Paragraph No. 11, beginning on Page 7.

<sup>62</sup> See the Examiner's initial Office Action on the merits mailed September 5, 2002, Paper No. 9, Paragraph No. 12; and the previous Office Action on the merits mailed March 31, 2003, Paper No. 14, Paragraph No. 11.

<sup>63</sup> "In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, at the very least, point to a term or terms in the claim with which to draw in those statements." *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

<sup>64</sup> See again the Examiner's initial Office Action on the merits, Paper No. 9, Paragraph No. 12.

<sup>65</sup> *Id.*

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Finally, after receiving express notice of the preceding factual findings and conclusions, Applicants' latest response (i.e. Applicants' After Final submission, Paper No. 15) again fails to point out the supposed errors in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b). Moreover, Applicants' latest response—while fully considered by the Examiner—does not change the Examiner's conclusion that Applicants have decided not to be their own lexicographer. Therefore, the heavy presumption in favor of the ordinary and accustomed meaning for claim terminology is confirmed. Accordingly, the claims continue to be interpreted with their "broadest reasonable interpretation," *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997),<sup>67</sup> and the Examiner continues to rely heavily and extensively on this interpretation.<sup>68</sup> Unless expressly noted otherwise by the Examiner, the preceding claim interpretation principles in this paragraph apply to all examined claims currently pending.<sup>69</sup>

70. Appellants' First Appeal Brief again failed to address this issue. Finally, in the Previous Office Action, the Examiner expressly stated:

For due process purposes, the Examiner again confirms that Applicants have decided not to be their own lexicographer by indicating and defining claim limitations to have meanings other than their ordinary and accustomed meanings.

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<sup>66</sup> The Examiner's requirements on this matter were reasonable on at least two separate and independent grounds. First, the Examiner's requirements were simply an express request for clarification of how Applicants intend their claims to be interpreted so that lexicography (or even an *attempt* at lexicography) by Applicants was not inadvertently overlooked by the Examiner. Second, the requirements were reasonable in view of the USPTO's goals of compact prosecution, productivity with particular emphasis on reductions in both pendency and cycle time, and other goals as outlined in the USPTO's The 21<sup>st</sup> Century Strategic Plan, February 3, 2003 available at [www.uspto.gov/web/offices/com/strat21/index.htm](http://www.uspto.gov/web/offices/com/strat21/index.htm) (last accessed January 12, 2004).

<sup>67</sup> See also *In re Bass*, 314 F.3d 575, 577, 65 USPQ2d 1156, 1158 (Fed. Cir. 2002) ("In examining a patent claim, the PTO must apply the broadest reasonable meaning to the claim language, taking into account any definitions presented in the specification. Words in a claim are to be given their ordinary and accustomed meaning unless the inventor chose to be his own lexicographer in the specification."); MPEP §§ 2111 and 2111.01; and *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc).

<sup>68</sup> See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability . . . . [Emphasis added.]"

<sup>69</sup> Second Final Rejection, Paragraph No. 13, beginning on Page 8.

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To support this position, the Examiner again notes the following factual findings as first expounded in the previous Office Actions.<sup>70</sup> First, the Examiner has again carefully reviewed the specification and prosecution history and can not locate any lexicographic definition(s). Second, the Examiner finds that not only have Applicants not pointed to definitional statements in their specification or prosecution history, Applicants have also not pointed to a term or terms in a claim with which to draw in those statements.<sup>71</sup> Third, after receiving express notice of the Examiner's position that lexicography was *not* invoked,<sup>72</sup> Applicants' first response, (i.e. Paper No. 12) did not point out the "supposed errors" in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b) (i.e. Applicants did not argue lexicography *is* invoked). Forth and to be sure of Applicants' intent, the Examiner also notes that Applicants have declined the Examiner's express invitation<sup>73</sup> to be their own lexicographer.<sup>74</sup> Finally, after receiving express notice of the preceding factual findings and conclusions, Applicants' latest response (i.e. Applicants' After Final submission, Paper No. 15) again fails to point out the supposed errors in the Examiner's position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b). Moreover, Applicants' latest response—while fully considered by the Examiner—does not change the Examiner's conclusion that Applicants have

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<sup>70</sup>See the Examiner's initial Office Action on the merits mailed September 5, 2002, Paper No. 9, Paragraph No. 12; and the previous Office Action on the merits mailed March 31, 2003, Paper No. 14, Paragraph No. 11.

<sup>71</sup> "In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must, at the very least, point to a term or terms in the claim with which to draw in those statements." *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

<sup>72</sup>See again the Examiner's initial Office Action on the merits, Paper No. 9, Paragraph No. 12.

<sup>73</sup> *Id.*

<sup>74</sup> The Examiner's requirements on this matter were reasonable on at least two separate and independent grounds. First, the Examiner's requirements were simply an express request for clarification of how Applicants intend their claims to be interpreted so that lexicography (or even an *attempt* at lexicography) by Applicants was not inadvertently overlooked by the Examiner. Second, the requirements were reasonable in view of the USPTO's goals of compact prosecution, productivity with particular emphasis on reductions in both pendency and cycle time, and other goals as outlined in the USPTO's The 21<sup>st</sup> Century Strategic Plan, February 3, 2003 available at [www.uspto.gov/web/offices/com/strat21/index.htm](http://www.uspto.gov/web/offices/com/strat21/index.htm) (last accessed August 8, 2003).



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decided not to be their own lexicographer. Therefore, the heavy presumption in favor of the ordinary and accustomed meaning for claim terminology is confirmed. Accordingly, the claims continue to be interpreted with their "broadest reasonable interpretation," *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997),<sup>75</sup> and the Examiner continues to rely heavily and extensively on this interpretation.<sup>76</sup> Unless expressly noted otherwise by the Examiner, the preceding claim interpretation principles in this paragraph apply to all examined claims currently pending.<sup>77</sup>

71. As noted throughout the office actions quoted above, the Examiner has provided "at least two separate and independent grounds" for imposing the requirement that, when asked, Appellants point out any known lexicographic definition(s). Moreover, the Examiner finds that Appellants have failed to argue that these requirements are unreasonable.<sup>78</sup> The Examiner also

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<sup>75</sup> See also *In re Bass*, 314 F.3d 575, 577, 65 USPQ2d 1156, 1158 (Fed. Cir. 2002) ("In examining a patent claim, the PTO must apply the broadest reasonable meaning to the claim language, taking into account any definitions presented in the specification. Words in a claim are to be given their ordinary and accustomed meaning unless the inventor chose to be his own lexicographer in the specification."); MPEP §§ 2111 and 2111.01; and *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc).

<sup>76</sup> See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability . . . . [Emphasis added.]"

<sup>77</sup> Previous Office Action, Paragraph No. 15, beginning on Page 8.

<sup>78</sup> For a discussion on the USPTO's imposition of reasonable requirements, see *e.g. In re Bogese*, 303 F.3d 1362, 1367-68, 64 USPQ2d 1448, 1452 (Fed. Cir. 2002) ("The PTO is the administrative agency that is 'responsible for the granting and issuing of patents . . . .' 35 U.S.C. §2 (2000). Like other administrative agencies, the PTO may impose reasonable [] requirements on parties that appear before it. The PTO has inherent authority to govern procedure before the PTO, and that authority allows it to set reasonable [] requirements for the prosecution of applications." (footnote omitted). Although *Bogese* concerned latches, the concept of imposing reasonable requirements upon applicants is pervasive at the USPTO and is generally accepted as a requirement of 37 C.F.R. §1.111(b).

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notes that because this is a procedural matter, such requirements are not appealable to the Board.

See *e.g.* MPEP §706.01.<sup>79</sup>

72. Additionally, it is the Examiner's position that when confronted with these reasonable requirements, compliance with 37 C.F.R. §1.111(b),<sup>80</sup> Appellants' duty of candor and good faith under 37 C.F.R. §1.56,<sup>81</sup> and the rule of law which states "silence implies assent," *Ex parte Knapton*, 67 USPQ2d 1062, 1063 (B.P.A.I. 2002) (unpublished), Appellants are required to point out any lexicographic definitions known to them.

73. In conclusion, because the Examiner has carefully reviewed the specification and prosecution history and can not locate any lexicographic definition(s); because the

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<sup>79</sup> See also *In re Hengehold*, 440 F.2d 1395, 1403, 169 USPQ 473, 479 (CCPA 1971)(noting that "it is apparent, then, that Congress intended to differentiate between whatever requirements and objections an examiner might make on the one hand, and matters involving actual rejections of claims on the other, at least insofar as its provision of statutory rights of appeal to the board accruing from such actions in and of themselves")(footnote omitted); and *In re Weber*, 198 USPQ 328, 333 (CCPA 1978) (noting that requirements—albeit in this case a restriction requirement—are *not rejections* and therefore not appealable to the Board).

<sup>80</sup> For guidance on how the USPTO interprets 37 C.F.R. §1.111(b) see *e.g.*: MPEP §818.03(a) quoting 37 C.F.R. §1.111(b) and noting that applicant is required to point out the supposed errors in the next response by stating *why* the Examiner's position regarding restriction is *substantively* incorrect in order to preserve his or her right to petition; MPEP §2144.03, 8<sup>th</sup> Ed., August 2001 regarding Official Notice noting that traversal must be made in applicant's *next response*. "A seasonable challenge constitutes a demand for evidence made as soon as practicable during prosecution. Thus, applicant is charged with rebutting the well know statement *in the next reply* after the Office action in which the well known statement is made. [Emphasis added.]" Failure to seasonable challenge the official noticed statement means the statement is interpreted as admitted prior art; and *In re Goodmn*, 3 USPQ2d 1866, 1871 (ComrPats 1987) noting the examiners have no authority to waive 37 C.F.R. §1.111(b) and that applicant is required to point out *any* supposed errors in his next response.

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Examiner has provided actual notice to Appellants of his review of the specification and prosecution history described immediately above; because Appellants have elected *not* to point out the “supposed errors” in the Examiner’s position regarding lexicography invocation in accordance with 37 C.F.R. §1.111(b) (*i.e.* Applicants have failed to argue lexicography *is* invoked); because Appellants have duties of candor and good faith; because silent implies assent; and because Appellants have not pointed to a term or terms in the claims with which to draw in those statements with the required clarity, deliberateness and precision, the Examiner can only reasonably conclude that Appellants are not their own lexicographer.

## II. CCS Fitness Factor 2: Prosecution Disclaimer

74. Method 2 is also clearly not at issue. This Factor is not available during ex parte examination. Although prosecution disclaimer (and associated issues) may have its genesis in ex parte examination, the Examiner is unaware of a *single* case invoking prosecution disclaimer during ex parte examination. See *Omega Engineering Inc. v. Raytek Corp.*, 334 F.3d 1314, 67 USPQ2d 1321 (Fed. Cir. 2003) for an excellent discussion on this topic.

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<sup>81</sup> See 37 C.F.R. §1.56 which states in part: “(a) ... Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office

### III. CCS Fitness Factor 3: Indefiniteness

75. Factor #3 is also clearly not at issue because the Examiner has not provided a 35 U.S.C. §112 2<sup>nd</sup> paragraph rejection. Even so, it is the Examiner's position that this Factor is not available during ex parte examination.

### IV. CCS Fitness Factor 4: 35 U.S.C. §112 6<sup>th</sup> Paragraph

76. Finally, Factor #4 (§112 6<sup>th</sup> paragraph) is also clearly not at issue in this case because Appellants fail to recite "means."<sup>82</sup> Moreover, Appellants has not even *attempted* to overcome the presumption that §112 6<sup>th</sup> paragraph is not invoked in any of the disputed claimed phrases.

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<sup>82</sup> "It is well settled that a claim limitation that actually uses the word "means" invokes a rebuttable presumption that 112, 6 applies. By contrast, a claim term that does not use "means" will trigger the rebuttable presumption that 112, 6 does not apply. The term "means" is central to the analysis." *Apex Inc. v. Raritan Computer Inc.*, 66 USPQ2d 1444, 1450 (Fed. Cir. 2003) (internal citations and quotations omitted); "The use of the word "means" triggers a presumption that the inventor used this term advisedly to invoke the statutory mandate for means-plus-function clauses. This presumption may be overcome in two ways. First, a claim element that uses the word 'means' but recites no function corresponding to the means does not invoke §112 ¶6. Second, even if the claim element specifies a function, if it also recites sufficient structure or material for performing that function, §112, ¶6 does not apply." *Allen Engineering*, 299 F.3d 1336, 1347, 63 USPQ2d 1769, 1775 (Fed. Cir. 2002). (Internal quotations and citations omitted).

**(C) Consistent with the USPTO Policy**

77. Finally, the MPEP also supports the Examiner's position that *only* Factors #1 and #4 from *CCS Fitness* are available during ex parte examination. MPEP §2111.01<sup>83</sup> begins:

While the claims of issued patents are interpreted in light of the specification, prosecution history, prior art and other claims, this is *not the mode* of claim interpretation to be applied during examination. . . . It is *only when* the specification provides definitions for terms appearing in the claims that the specification can be used in interpreting claim language [*i.e.* Factor 1: Lexicography]. . . . There is one exception, and that is when an element is claimed using language falling under the scope of 35 U.S.C. 112, 6th paragraph (often broadly referred to as means or step plus function language) [*i.e.* Factor 4]. In that case, the specification must be consulted to determine the structure, material, or acts corresponding to the function recited in the claim. [Emphasis added. Citations omitted.]

78. Thus the MPEP clearly states that during ex parte examination, the specification can be used to interpret the claims "only when" attempting to use either lexicography (Factor #1) and/or 35 U.S.C. §112 6<sup>th</sup> paragraph (Factor #4). In other words, Factors #2 and #3 are *not* available during ex parte examination.

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<sup>83</sup> MPEP §2111.01, 8<sup>th</sup> Edition, Rev 2, May 2004.

**(D) Summary of “In Light of the Specification” Arguments**

79. In conclusion, *Morris* requires that the broadest reasonable interpretation be made “in light of the specification.” During ex parte examination, this means that the heavy presumption in favor of the “broadest reasonable interpretation” may be overcome by either (1) lexicography, or (2) the application of 35 U.S.C. §112 6<sup>th</sup> paragraph. In other words, lexicography and §112 6<sup>th</sup> paragraph are the only two exceptions to the rule that the claims be interpreted with their “broadest reasonable interpretation.” In this case, the Examiner has concluded (1) that Appellants are not their own lexicographer, and (2) that Appellants have failed to successfully rebutted the presumption that 35 U.S.C. §112 6<sup>th</sup> paragraph does *not* apply. Thus, the Examiner concludes that in this particular case, the phrase “consistent with the specification” as noted in *Morris* has no legal effect.

**(iii) The Transitional Phrase in Claim 1 is “Open”**

80. When a patent claim uses the word “comprising” as its transitional phrase, its use creates a presumption that the body of the claim is open. In the parlance of patent law, the transitional phrase “comprising” creates a presumption that the recited elements are only a part of the device, that the claim does not exclude additional, unrecited elements. See *KCJ Corp. v. Kinetic Concepts, Inc.*, 223 F.3d 1351, 1356, 55 USPQ2d 1835, 1839 (Fed. Cir. 2000). In other words, “[t]he transition ‘comprising’ in a method claim indicates that the claim is open-ended and allows for additional steps.” *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 327 F.3d 1364, 1368, 66

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USPQ2d 1631, 1364 (Fed. Cir. 2003)(citations omitted).<sup>84</sup> It is the Examiner's factual determination that claim 1 expressly states as a transitional phrase, "the method comprising . . . ."

81. After considering all evidence of record, it is the Examiner's legal conclusion that because claim 1 uses the term "comprising," a presumption is established that the body of claim 1 is open. As of the date of this Answer, Appellants have offered no evidence (or even arguments for that matter) indicating that claim 1 should be considered anything other than 'open.' Because claim 1 is considered open, it may cover additional, unrecited steps. See *e.g. Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261, 1271, 229 USPQ 805, 812 (Fed. Cir. 1986)(when a claim uses an "open" transition phrase, its scope may cover devices that employ additional, unrecited elements). The Examiner therefore may add additional steps to support his conclusions of anticipation and obviousness.

#### **(iv) Broadest Reasonable Interpretation**

82. Having establishes that the only two exceptions to the rule do not apply (*i.e.*, the rule that the Examiner apply the "broadest reasonable interpretation" when interpreting the claims), *Morris* additionally states that the Examiner is now free to rely on *his* interpretation of claim terms (even if different from appellants) as long as he can point to reasonable sources that

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<sup>84</sup> See also MPEP §2111.03; *In re Baxter*, 656 F.2d 679, 686, 210 USPQ 795, 802 (CCPA 1981)(The transition term 'comprising' opens the claim to steps other than those recited.); "The use of the transitional phrase 'comprising' itself indicates that the elements or steps following the transition may be supplemented by additional elements or steps and still fall within the scope of the claim." *Scanner Technologies Corp. v. ICOS Vision Systems Corp.*, 70 USPQ2d 1900, 1905 (Fed. Cir. 2004) (citing *AFG Indus. Inc. v. Cardinal IG Co., Inc.*, 239 F.3d 1239, 1244-45, 57 USPQ2d 1776 (Fed. Cir. 2001)).

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support his interpretation. “Absent an express definition in their specification [*i.e.* lexicography], the fact that appellants can point to definitions or usages that conform to their interpretation does not make the PTO’s definition unreasonable when the PTO can point to other sources that support its interpretation.” *Morris*, 127 F.3d at 1056, 44 USPQ2d at 1029.

### (A) Dictionaries as a ‘Other Sources’

83. “It is well settled that dictionaries provide evidence of a claim term’s ordinary meaning. Such dictionaries include dictionaries of the English language, which in most cases will provide the proper definitions and usages, and technical dictionaries, encyclopedias and treatises, which may be used for established specialized meanings in particular fields of art.” *Inverness Medical v. Biomeditech Co.*, 309 F.3d at 1369, 64 USPQ2d at 1930.<sup>85</sup> Even though *e.g.* “aggregating the restock quantities over the plurality of dispensing units” is not found ‘as written’ in a dictionary, this does not mean that the ordinary meaning of individual claim words should be ignored. In other words, “simply because a phrase as a whole lacks a common meaning does not compel a court to abandon its quest for a common meaning and disregard the established meanings of the individual words.” *Altiris Inc. v. Symantec Corp.*, 318 F.3d 1363, 1372, 65 USPQ2d 1865, 1871 (Fed. Cir. 2003) (citations omitted).

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<sup>85</sup> See also *Inverness Medical v. Warner Lambert Co.*, 309 F.3d at 1378, 64 USPQ2d at 1936 (“We begin claim construction analysis with the ordinary meaning of the disputed claim term. It is well settled that dictionary definitions provide evidence of a claim term’s ordinary meaning. Potentially relevant dictionaries include dictionaries of the English language (providing general definitions and usages) and technical dictionaries, encyclopedias, and treatises (providing specialized meanings as used in particular fields of art).”) (citations and quotations omitted); and *Texas Digital Systems, Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1202, 64 USPQ2d 1812, 1818 (Fed. Cir. 2002) (“For such ordinary meaning, we turn to the dictionary definition of the term.”)



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84. In this case, neither "aggregate" nor "unit" are "technical terms" and thus the Examiner finds that a common dictionary definition is sufficient. The Examiner points in particular to Merriam-Webster's Collegiate Dictionary as support for their interpretations. Other 'technical terms' are taken from the Microsoft Press Computer Dictionary (3d ed.). In fact, the Second Final Office Action expressly stated:

To the extent the Examiner's claim interpretations are different from or in dispute with Applicants' interpretations, the Examiner hereby adopts the following definitions in all his claim interpretations. Additionally, the following list is not an exhaustive list of claim interpretations. Therefore, under the broadest reasonable interpretation standard and in accordance with *In re Morris*, the Examiner relies on the following definitions:

- a. **Server**: "2. On the Internet or other network, a computer or program that responds to commands from a client." Computer Dictionary, 3rd Edition, Microsoft Press, Redmond, WA, 1997. **Client**: "3. On a local area network or Internet, a computer that accesses shared network resources provided by another computer (called a *server*)." *Id.* **Computer**: "Any machine that does three things: accepts structured input, processes it according to prescribed rules, and produces the results as output." *Id.*
- b. **Internet** "The worldwide collection of networks and gateways that use the TCP/IP suite of protocols to communicate with one another. At the heart of the Internet is a backbone of high-speed data communication lines between major nodes or host computers, consisting of thousands of commercial, government, educational, and other computer systems, that route data and messages." *Id.*
- c. **Data** "Plural of the Latin *datum*, meaning an item of information. In practice, data is often used for the singular as well as plural the form of the noun." *Id.*
- d. **Electronic** "2 : of, relating to, or utilizing devices constructed or working by the method or principles of electronics; also : implemented on or by means of a computer <~ food stamps> <~ banking>" *Id.*
- e. **Aggregate** "2 : the whole sum or amount : SUM TOTAL" Merriam-Webster's Collegiate Dictionary, 10<sup>th</sup> Edition, Merriam-Webster Inc., Springfield, M.A., 1997.
- f. **Confirmation** "2 . . . b : the process of supporting a statement by evidence" *Id.*
- g. **Information** " 2 a . . . (3): FACTS, DATA . . ." *Id.*
- h. **Receipt** "a writing acknowledging the receiving of goods or money." *Id.*
- i. **Unit** "3 a : a single thing, person, or group that is a constituent of a whole" *Id.* [Footnote omitted.] Second Final Office Action, Paragraph No. 14, beginning on page 10.

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85. Regarding reasonableness of the Computer Dictionary, Appellants were also given actual notice of the reasonableness or appropriateness of the definitions cited within the Computer Dictionary:

The Examiner finds that the Microsoft Press's *Computer Dictionary* is an appropriate technical dictionary known to be used by one of ordinary skill in this art. See e.g. *Altiris Inc. v. Symantec Corp.*, 318 F.3d 1363, 1373, 65 USPQ2d 1865, 1872 (Fed. Cir. 2003) where the Federal Circuit used *Microsoft Press Computer Dictionary* (3d ed.) as "a technical dictionary" used to define the term "flag."<sup>86</sup>

86. And as of the date of this Answer, Appellants have neither elected to challenge the reasonableness of the Computer Dictionary as a source for ascertaining claim meaning nor the use of the explicit definitions therein.

87. In this particular case, column 1 in Table 1 (see Appendix I) numerically lists each clause (clauses 1-7) in claim 1. The Examiner will refer to those clause numbers for discussion purposes. Based upon the Second Appeal Brief, Appellants do not contest that Sone directly or inherently discloses clauses 1-4. Because claim construction is concerned with disputed meanings,<sup>87</sup> clauses 1-4 will not be construed. The Examiner continues to rely heavily and extensively on Appellants' position. See 37 C.F.R. §1.104(c)(3) which states in part: "the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability . . . . [Emphasis added.]" Finally, Thus, the following phrases are the only phrases which appear to be in dispute.

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<sup>86</sup> Second Final Office Action, Paragraph No. 14 (a), Page 10, Note 9.

<sup>87</sup> See, e.g., *U.S. Surgical Corp. v. Ethicon, Inc.*, 103 F.3d 1554, 1568, 41 USPQ2d 1225, 1236 (Fed. Cir. 1997) (stating that "[c]laim construction is a matter of resolution of *disputed* meanings" (emphasis added)).

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Clause 5: “aggregating the restock quantities over the plurality of dispensing units for each of the multiple distinct items;”

Clause 6: “generating order information for the items to be restocked based on the aggregated restocking information; and”

Clause 7: “electronically sending the order information to one or more supplier computers to order items to be restocked into the dispensing units.”

### **(v) Conclusion of Claim Interpretation**

88. Based upon the claim interpretation principles noted above, the Examiner interprets Clause 5 to mean ‘adding together or sum totaling the quantities of individual items from all the dispensing units.’

89. Also based upon the claim interpretation principles noted above, the Examiner interprets Clause 6 to mean ‘generating order information for each of the individual items to be restocked based at least in part upon total quantities of those individual items.’

90. Finally, the Examiner interprets Clause 7 to mean ‘using a computer, at least in part, to send the order information to one or more supplier computers to order the individual items to be restocked into the dispensing units.’

### **b. Anticipation**

#### **(i) Summary**

91. “Having construed the claim limitations at issue, we now compare the claims to the prior art to determine if the prior art anticipates those claims.” *In re Cruciferous Sprout Litig.*, 301

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F.3d 1343, 1349, 64 USPQ2d 1202, 1206 (Fed. Cir. 2002).<sup>88</sup> To that end, anticipation is considered a question of fact. *In re Hyatt*, 211 F.3d 1367, 54 USPQ2d 1664, 1667 (Fed. Cir. 2000); *Bischoff v. Wethered*, 76 U.S. (9 Wall.) 812, 814-15 (1869).

92. Anticipation requires the Examiner to meet the ‘All Elements Test.’ “To anticipate a claim, a prior art reference must disclose every limitation of the claimed invention, either explicitly or inherently.” *In re Schreiber*, 128 F.3d 1473, 1477, 44 USPQ2d 1429, 1431 (Fed. Cir. 1997). In other words, all elements of the claimed invention must be disclosed in some fashion for the claim to be anticipated. Logically, the lack of a single element would negate anticipation. “[A]bsence from the reference of any claimed element negates anticipation.” *Kloster Speedsteel AB v. Crucible, Inc.*, 793 F.2d 1565, 1571, 230 USPQ 81, 84 (Fed. Cir. 1986).

93. Yet it is important to keep in mind that “[a]n anticipatory reference, however, need not duplicate word for word what is in the claims.” *Standard Havens Prods., Inc. v. Gencor Indus., Inc.*, 953 F.2d 1360, 1369, 21 USPQ2d 1321, 1328 (Fed. Cir. 1991). “While a reference must be considered not only for what it expressly teaches, but also for what it fairly suggests . . . .” *In re Bell*, 991 F.2d 781, 785, 26 USPQ2d 1529, 1532 (Fed. Cir. 1993) (citations and quotations omitted).<sup>89</sup> In other words, “[t]he use of patents as references is not limited to what the patentees describe as their own inventions or to the problems with which they are concerned. They are part of the literature of the art, relevant for all they contain.” *In re Heck*, 699 F.2d 1331, 1332-

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<sup>88</sup> See also *In re Wilder*, 429 F.2d 447, 450, 166 USPQ 545, 548 (CCPA 1970)(“Once having ascertained exactly what subject matter is being claimed, the next inquiry must be into whether such subject matter is novel.”).

<sup>89</sup> See also *In re Widmer*, 353 F.2d 752, 757, 147 USPQ 518, 523 (CCPA 1965)(noting that a reference is not limited to its examples, but is available for all that it fairly discloses and suggests).

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33, 216 USPQ 1038, 1039 (Fed. Cir. 1983)(quoting *In re Lemelson*, 397 F.2d 1006, 1009, 158 USPQ 275, 277 (CCPA 1968)).<sup>90</sup>

94. In an effort to meet each claimed element in the ‘All Elements Test’, anticipation may also be established based upon a *combination* of a prior art reference and the knowledge of one of ordinary skill in the art. “A reference anticipates a claim if it discloses the claimed invention ‘such that a skilled artisan could take its teachings in *combination with his own knowledge of the particular art and be in possession of the invention*. [Emphasis in original.]” *In re Graves*, 69 F.3d 1147, 1152, 36 USPQ2d 1697, 1701 (Fed. Cir. 1995) citing *In re LeGrice*, 301 F.2d 929, 936, 133 USPQ 365, 372 (CCPA 1962) and noting that regarding the claimed “simultaneously monitoring the selected multiple connection points,” the prior art “nevertheless anticipates [the claimed invention], even if it does not specifically disclose simultaneous monitoring of the output points, if simultaneous or parallel monitoring is within the knowledge of a skilled artisan.” *Graves*, 69 F.3d at 1152, 36 USPQ2d at 1701. See also *In re Donohue*, 766 F.2d 531, 533, 226 USPQ 619, 621 (Fed. Cir. 1985) for the same statement of law and also citing *In re LeGrice*.

95. In summary, it is the Examiner’s factual determination that, in this case, Sone *in combination* with the knowledge of one of ordinary skill in this art anticipates claim 1. A discussion of how this occurs is set forth below.

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<sup>90</sup> See MPEP §2123, Subsection titled “Patents Are Relevant as Prior Art for All They Contain.”

(ii) Sone Anticipates Claim 1

96. In addition to what was described above, the Examiner finds that Sone directly states:

Automated inventory systems for facilitating the replenishment of goods, particularly at manufacturing and wholesale facilities, are also well known. Such automated inventory systems comprise sensors for detecting the presence of desired inventory items, and an inventory processor for facilitating restocking of those items whose stock level has fallen below a predetermined level.<sup>91</sup>

97. It therefore is the Examiner's factual determination that Sone discloses the use of automated inventory systems in manufacturing and wholesale facilities. Such facilities include but are not limited to 'the store' corresponding to store computer 24. Moreover, this position is consistent with other axioms of patent law. In particular, "[t]he law is clear that patent documents need not include subject matter that is known in the field of the invention and is in the prior art, for patents are written for persons experienced in the field of the invention. ... To hold otherwise would require every patent document to include a technical treatise for the unskilled reader." *S3 Inc. v. nVIDIA Corp.*, 259 F.3d at 1371, 59 USPQ2d at 1749-50 citing *Vivid Technologies, Inc. v. American Science and Engineering, Inc.*, 200 F.3d 795, 804, 53 USPQ2d 1289, 1295 (Fed. Cir. 1999) ("patents are written by and for skilled artisans"). It is therefore not surprising that Sone fails to discuss these old and well known features (*i.e.* the automated inventory systems in the store). To be clear, this lack of discussion does not mean these systems do not exist. To the contrary, this lack of discussion and the fact that Sone directly describes such systems as "well known" means that such features are *well* within the knowledge of one of ordinary skill in this art.

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<sup>91</sup> Sone, Background of the Invention, Column 1, ~ Lines 58-64.

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98. Because of direct disclosure in Sone and Appellants' admissions, the only question which remains is what evidence does the Examiner have (other than Sone) to show what is an automated inventory systems for facilitating the replenishment of goods?

99. It is the Examiner's factual determination that Salvo, Kawashima, Peterson, Sokol, Poirier, Ettl, and the other documents of record (taken together and/or each reference considered separately) provide substantial evidence of the knowledge and understanding of one of ordinary skill in this art. In particular, these references teach an automated inventory systems for facilitating the replenishment of goods.

100. For example, Sokol discusses the problems of a paper based systems. Sokol discusses why electronic means are desirable over manual paper based systems.

101. Kawashima also directly discloses automated inventory systems for facilitating the replenishment of goods in a supermarket. Because Kawashima is used to show what is inherent in Sone, Kawashima is used in an anticipation rejection. See MPEP §2131.01 III allowing for multiple reference anticipation rejections to show what is inherent the prior art. Kawashima also directly discloses aggregating the restock quantities over a plurality of dispensing units for each of the multiple distinct items.

102. For example, the predictive values used in Kawashima aggregate past sales, at least in part. While the Examiner admits that additional mathematical calculations are performed on the aggregated data, because the claim is considered open, claim 1 is nevertheless anticipated.

103. Moreover, because embodiment(s) in Sone do not need any modifications to implement the automated inventory system for facilitating the replenishment of goods as disclosed in Salvo, Kawashima, Peterson, Sokol, Poirier, Ettl, this is also evidence of anticipation.

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**(II) Response to Appellants's Arguments**

104. Appellants argue that “Sone does not specifically disclose how inventory operations are managed by the store . . . .”<sup>92</sup> While this may be true, the other prior art documents of record clearly show why this is inherent. To be clear, one of ordinary skill need not even recognize that these features are inherent. “In sum, [the Federal Circuit’s] precedent does not require a skilled artisan to recognize the inherent characteristic in the prior art that anticipates the claimed invention.” *Schering Corp. v. Geneva Pharmaceuticals, Inc.*, 339 F.3d 1373, 1378, 67 USPQ2d 1664, 1668 (Fed. Cir. 2003).

105. In fact, the Examiner *agrees* with Appellants’ example on page 6 of their Second Appeal Brief with one exception. Appellants’ example states “the store monitors inventory level for each product . . . [and therefore] issuing requests to distributors for replenishment when the inventory levels fall below a certain level.”<sup>93</sup> Because the store tracks *all* inventories leaving the store regardless of whether or not the inventory goes to a walk-in customer or to a Sone-like customer, the store tracks ‘in-house’ or ‘on hand’ inventories. So if the store desires to place an order for 100 units when there are 30 units on hand, the store must inherently aggregate *all* sales. While the Examiner admits that the store aggregates values for both walk-in and Sone-like customers together, this is still *aggregation* for anticipation purposes.

106. The only way the store can *not* aggregate is by placing an order with its distributor to replenish inventors (again regardless of whether or not the inventory goes to a walk-in customer or to a Sone-like customer) when each item is sold. In other words, *every* time a walk-in

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<sup>92</sup> Second Appeal Brief, Page 6.

<sup>93</sup> Second Appeal Brief, Page 6.



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customer or a Sone customer orders a gallon of milk, a loaf of bread, or a box of cereal, the store must place an additional order with its distributor for that item. Anything else would involve aggregating at least in part. The Examiner concludes that if the Board finds that the store in Sone orders replenishment of goods in this manner, the Board should expressly state this fact. In that case, the Examiner admits that Sone can not anticipate claim 1.

107. Appellants also argue that Sone does not aggregate because Sone “may place order with distributors in response to changes in those inventory levels, in much the same way as may be done in a store that does not use the intelligent refrigerator.”<sup>94</sup> This too is not persuasive because even a store that does not use the “the intelligent refrigerator” aggregates. Again, these stores do not place an order every time a user buys an item—the store aggregates to take advantage of purchasing in bulk.

108. Additionally, the Previous Office Action expressly stated:

Applicant argues that “There is nothing to suggest that supplies by the store are maintained in anything but the normal fashion when customer shop in person, i.e. based on past inventory behavior.”<sup>95</sup> First, it is unclear as to what is meant by “normal behavior.” Second, even assuming the reordering is based upon “past inventory behavior” as Applicant suggest, this is “aggregating the restock quantities over a plurality of dispensing units for each of the multiple distinct items” Basing a Retailer’s order (the order with their Distributor) would include aggregating the restock quantities. In fact, this is one of the best methods of predicting future use of inventory items. See *e.g.* Shipman (U.S. 5,819,232) as evidence to support the well known statement that aggregating past quantities is a part of the restocking decision making process. Previous Office Action, Paragraph No. 19.

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<sup>94</sup> Second Appeal Brief, Page 8.

<sup>95</sup> Applicants’ First Appeal Brief, Paper No. 20, Pages 6 and 7.

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109. Appellants also argue that electronic sending is not inherent since stores have “standing contracts for periodic delivery, transmitting mail or telephone requests for further delivery and the like. It is believed that most stores actually rely on these other types of methods . . . .”<sup>96</sup> This argument is not persuasive.

110. First, Appellants have not provided sufficient evidence to support their conclusion that “most stores actually rely on these other types of methods.” Second, standing prior contracts, mail, and telephone requests, use ‘electronic sending’ at least in part. A telephone is electronic. If a telephone was used, the order receiver would manually type the order data into the distributor’s computer. This would clearly constitute “electronically sending the order information to one or more supplier computers (via the telephone and the data entry) to order items to be restocked into the dispensing units.” Additional evidence to support electronically sending includes Kawashima (e.g. use of computers), Sokol (standing contracts), and Salvo, Purcell, Poirier, Johnson (direct electronic sending to another computer). The Examiner concludes that if the Board finds the store in Sone places orders without *any* form of ‘electronically sending’ (at least in part) and that the distributor in Sone does input the quantities ordered into at least a *single* computer, the Board should expressly state such findings and conclude that Sone does not anticipate claim 1.

111. Applicant argues that “There is nothing to suggest that supplies by the store are maintained in anything but the normal fashion when customer shop in person, i.e. based on past inventory behavior.”<sup>97</sup> First, it is unclear as to what is meant by “normal behavior.” Second,

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<sup>96</sup> Second Appeal Brief, Page 8.

<sup>97</sup> Applicants’ First Appeal Brief, Paper No. 20, Pages 6 and 7.

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even assuming the reordering is based upon “past inventory behavior” as Applicant suggest, this is “aggregating the restock quantities over a plurality of dispensing units for each of the multiple distinct items” Basing a Retailer’s order (the order with their Distributor) would including aggregating the restock quantities. In fact, this is one of the best methods of predicting future use of inventory items. See *e.g.* Shipman (U.S. 5,819,232) as evidence to support the well known statement that aggregating past quantities is a part of the restocking decision making process.

112. While the Examiner has considered all evidence of record, it is the Examiner’s factual determination that Appellants have not successfully rebutted the Examiner’s prima facie case of anticipation.

**a. Obviousness**

113. If the Board finds that claim 1 is not anticipated for any reason, claims 1, 3, and 31-34 are alternatively rejected under 35 U.S.C. §103(a) as being unpatentable over Sone in view of Kawashima.<sup>98</sup>

114. The Previous Office Action directly stated:

Claims 1, 3, and 31-34 are alternatively rejected under 35 U.S.C. §103(a) as being unpatentable over Sone in view of Kawashima et. al. (U.S. 5,168,445)(“Kawashima”).<sup>99</sup> It is the Examiner’s principle position that the claims are anticipated as noted above.

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<sup>98</sup> See MPEP §2112 expressly authorizing alternative §102/§103 rejections when the question of inherency is present in the anticipation rejection.

<sup>99</sup> See MPEP §2112 expressly authorizing alternative §102/§103 rejections when the question of inherency is present in the anticipation rejection.

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Alternatively, if not inherent, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Sone as taught by Kawashima to include electronically sending ordering information to a supplier and to include aggregating the restock quantities over a plurality of dispensing units for each of the multiple distinct items. Such a modification would have allowed the Retailer to take advantage of discount buying. One of ordinary skill in the art clearly recognizes that the more one buys, the greater the volume discount the buyer can receive. Moreover, such a modification would have allowed the Retailer to purchase products from distant places without having to travel there merely to place the order. Previous Office Action, Paragraph No. 11.

115. Sone discloses as discussed above. Kawashima also directly discloses automated inventory systems for facilitating the replenishment of goods in a supermarket. In particular, Kawashima directly discloses aggregating the restock quantities over a plurality of dispensing units for each of the multiple distinct items. See e.g. the order slip in Figure 12 directly discloses aggregated items to be ordered.

116. Moreover Kawashima also states:

Firstly, sales volumes which occurred previously on certain days, each being the same day of the week (Thursday) as that of the day for which the sales volume is predicted, i.e., the 28-th day, are averaged in respect of each item of goods. To explain with reference to FIG. 5, sales volumes, generally indicated by 503, which previously occurred on certain days, each being the same day of the week, are averaged in respect of an item of B chocolate. For example, the thus averaged predictive value is assumed to be "200".<sup>100</sup>

117. It is the Examiner factual determination that the sales volumes which are "are averaged in respect of each item of goods" must include "aggregating the restock quantities" It is a scientific truism that "average" includes at least in part—aggregating. So while Kawashima performs additional mathematical calculations to arrive at a predictive value, because claim 1 is open, the restock quantity or predictive value is at least in part based upon this aggregated

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<sup>100</sup> Kawashima, Column 4, ~ lines 21-30.

quantity. Finally, regarding motivation to combine, a supermarket would want to take advantage of aggregate or discount buying.

**b. Aggregating**

118. Appellants argue that “[T]here is no disclosure of aggregating restrock quantities over a pluarlity of dispensing units.”<sup>101</sup> First, the Examiner has never relied entirely on Kawashima for showing aggregating restrock quantities over a pluarlity of dispensing units.” The Examiner *does* however rely on Kawashima for showing ‘aggregating restrock quantities’ for each of the items to be resocked.’ Its self-evident that Kawashima does not disclose a plurality of dispensing units. Therefore while Appeallants’ statement that “there is no disclosure of aggregating restrock quantities over a pluarlity of dispensing units” is arguably true, its point is lost since its really immaterial to this obviouness determination.

119. Appellants also argue that “[t]here is no disclosure of electronically sending the ordering information to one or more supplier computers.”<sup>102</sup> The Examiner disagrees. Order processor 5 electronically creates and (and therfore sends at least in part) order slip 18 to the distrubutor.

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<sup>101</sup> Second Appeal Brief, Page 9.

<sup>102</sup> Second Appeal Brief, Page 10.

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**C. Group II: Claims 2, 4-11, & 35****(I) The Examiner's Prima Facie Case****a. Claim Construction**

120. In this case, Group II stands or falls with claim 2 (See grouping of claims, supra). Claim 2 states "further comprising polling the the dispensing units over the network using the server computer to obtain the quantities of the items to be restocked." Based upon the claim construction principles noted above, the Examiner concludes that claim 2 is interpreted to mean 'polling the the dispensing units over the network, this polling is done using the server computer, and the polling is done in an effort to obtain the quantities of the items to be restocked.'

**b. Obviousness**

121. Sone directly states:

The telecommunications device preferably comprises a first modem which allows the computer to communicate with a store shopping server over ordinary telephone lines. A second modem typically facilitates communication of the store shopping server over the ordinary telephone lines. Optionally, the computer communicates with the store shopping server via an Internet connection. However, *those skilled in the art will appreciate that various different types of communication between the computer and the store shopping server are likewise suitable.*[Emphasis added.]<sup>103</sup>

The personal computer 50 performs the inventory processing function and then transmits a list of items to be replenished via interface communication link 34 to the store shopping server 24 in the same manner that the dedicated, built-in computer 26 of the first embodiment of the present invention does.<sup>104</sup>

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<sup>103</sup> Sone, Col. 4, ~ lines 13-23.

<sup>104</sup> Sone, Col. 7, ~ lines 58-64.

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122. So while Sone directly discloses the remote unit 11 doing the polling, Salvo teaches how the vendor managed inventories reduce costs by performing the polling. The “Summary of Invention” in Salvo begins:

Accordingly, a system and method for inventory management, in particular, *vendor-managed inventory*, are provided. The system and method provide information concerning inventory amounts and inventory ordering to [] *an inventory vendor*. [Emphasis added.]<sup>105</sup>

123. Salvo goes on to state how control unit 114 is used for data acquisition in the vendor managed system:

The control unit 114 is programmed to operate, and alternatively comprises software, *for data acquisition*, data mining, and analysis software, that enable inventory management analysis and decisions to be made. The control unit 114 comprises any appropriate high-powered solid-state switching device. As illustrated, the control unit 114 is represented as a computer, however, this is merely exemplary of an appropriate high-powered control, within the scope of the invention. [Emphasis added.]<sup>106</sup>

124. Figure 1 in Salvo also discloses how control unit 114 is the central connection point for the vendors. It is the Examiner’s position that if the vendors 200 are to manage the inventory as contemplated in a “vendor managed inventory” system, they must manage via control unit 114 and site controller 112. Additionally, in order to maintain efficient operations at the site, control unit 114 must know inventory status:

[T]he control unit 114, including its pricing software, is able to determine a lowest total inventory purchase price for inventory and times for inventory to be delivered to the manufacturing site 103, in order to maintain operations at the manufacturing site 103. Therefore, efficiency of the purchasing process is enhanced, and cost savings will be evident.<sup>107</sup>

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<sup>105</sup> Salvo, Column 2, ~ Lines 55-62.

<sup>106</sup> Salvo, Column 5, ~ Lines 31-38.

<sup>107</sup> Salvo, Column 9, ~ Lines 13-18.

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125. In order to determine the times for delivery, controll unit 114 must poll site controller 112 do determine space availability. Finally, a vendor 200 may wish to watch inventories at the site in an effort reduce delay and costs:

The inventory management system 100, as embodied by the invention, is also controllable by a vendor 200 to provide further service to end users of its inventory. A vendor controlled inventory management system (hereinafter "vendor-managed inventory system"), as embodied by the invention, provides increased interaction between the manufacturing site 103 and vendors. A vendor 200, if allowed by a manufacturer, will be able to watch and predict inventory use at the manufacturing site 103, and deliver inventory 150 to the manufacturing site 103 without requiring a paper order from a purchasing agent through vendor managed inventory systems. For example, the order is placed, sometimes automatically, such as electronically. This process eliminates a middleman, frees up resources at the manufacturing site 103, and reduces delays and costs of ordering, since electronic communication is virtually instantaneous and inexpensive compared to paper communications.<sup>108</sup>

126. Because Salvo directly discloses using vendor managing the inventories to reduce delays and costs of ordering, since electronic communication is virtually instantaneous and inexpensive compared to paper communications, it would have been obvious to a person having ordinary skill in the art to modify Sone as taught by Salvo and allow the store server 24 in Sone to poll personal computer 26 or 50. This modification would have helped reduce delays and costs of ordering, since electronic communication is virtually instantaneous and inexpensive compared to paper communications

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<sup>108</sup> Salvo, Column 9, ~ Lines 34-51.



**(II) Reponse to Appellants' Arguments**

127. Appellants argue that “[t]her is no motivation to combine Sone with Salvo in the manner suggested.”<sup>109</sup> The Examiner disagrees. By allowing the “store or “vendor” to poll the remote units, the the vendor can take advantage of known historical trends. For example, if the supermarket in Sone became aware of a large volume of milk at a reduced rate, the store server 24 would poll the remote sites 11 to see if milk might be need soon so that it could rapidly take advantage of the reduced prices.

128. In other words, if the store server 24 could only respond to requests from the remote units 11, this would not be “vendor manged” inventories. Second, the supermarket could not take advantage of short term reduced prices because the supermarket would have to wait for a order. In fact, the supermarket might even may wait days or weekes for a known sale even though the supermarket had already received orders for that product from the remote sites 11. On the other hand, if the supermarket beacame aware of a signifcant price drop that ended on day X, the supermarket’s store server 24 could poll the remore sites 11 on day X-1 to check and see if it was worth ordering a significant vollume of product at the reduced price. Like Salvo, this would help reduce delays and costs of ordering.

129. Regarding Appellants’ other arguments, the Previous Office Action expressly stated:

Regarding Applicants’ assertion that the combinations with Salvo would change the principle operation of Savo are simply irrelevant. Salvo is the modifying reference—not the principle reference. Salvo is relied upon for specific teachings. Whether or not the combination changes the principle operation or “unsuitable” as suggested by Applicants is simply irrelevant.

The Examiner also respectfully disagrees with Applicants’ statement that “statistical trend-analysis and forecasting tools . . . are not much value at the small scales contemplated in Sone” Why not? For example, statistical analysis would

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<sup>109</sup> Second Appeal Brief, Page 11.

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provide the Retailer additional information which would help in determining when to upload the information from the dispensing units to Retailer server. Additionally, statistical analysis would also help the Customer purchase products at the most advantageous time taking advantage of the freshness of the products at the Retailer, changes in price, known product consumption patterns, and provide a method of removing products that expire because of expiration dates. For example, if the system could statistically determine that the customer's 2 gallons of heavy cream was continually past its expiration date, the Retailer might deliver to the customer only 1 pint of heavy cream when the system detects there is no cream present in the dispensing units. The system could provide the customer a list of most commonly used items or least used items and suggest alterations to the Customer's desired inventory to minimize product waste.

**D. Group II: Claim 12-15****(I) The Examiner's Prima Facie Case****a. Claim Construction**

130. In this case, Group III stands or falls with claim 12 (See grouping of claims, *supra*). Claim 12 states: "restocking the shipped items into the dispensing units, reconciling the restocked items with the advanced shipping notice using the dispensing unit processor, and electronically sending a confirmation receipt to the server computer from the dispensing units."

131. In this case, the Examiner interprets "reconciling the restocked items with the advanced shipping notice using the dispensing unit processor" to mean 'using the dispensing unit processor, reconciling restocked items with the items in the advanced shipping notice, the advanced shipping notice is confirmation of an order.'

132. "Unless the steps of a method actually recite an order, the steps are not ordinarily construed to require one." *Interactive Gift Express, Inc. v. CompuServe, Inc.*, 256 F.3d at 1342, 59 USPQ2d at 1416. In this case, the "and electronically sending a confirmation

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receipt to the server computer from the dispensing units” need not actually be performed in the cited order.

**b. Obviousness**

133. It is the Examiner’s position that it is old and well known and/or common sense to received confirmation of an order submitted over the Internet. Because the Internet is not a direct connection, it is possible the transaction or order may not actually proceed. Therefore organizations using the Internet send confirmation of orders. See *e.g.* How the Internet Works, Page 260, step #6.

134. Moreover, when the delivery person places an item in the container 12, the placement is record by computer 26 or 50. If the delivery person placed bread where milk would normally be placed, computer 26 or 50 would recognize this error. The delivery person would then compare the actually delivered items with *e.g.*, a copy of the order confirmation which was originally sent to the customer.

135. Regarding the electronically sending confirmation receipts from the dispensing units to the server computer, this occurs upon ordering of the desired objects.

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## **E. Other Arguments**

### **(I) Uncited Materials**

136. Appellants also object to the “Use of Uncited Material.”<sup>110</sup> Appellants appear to have confused ‘uncited material’ with material that—while cited—is not expressly set forth in a statement of rejection. In their Second Appeal Brief, Appellants state that

the Examiner had intimated (sic) that other art of record but not specifically cited in the Final Office Action [Second Final Office Action] had been applied in rejecting the claims. The Examiner now appears to have recanted that suggestion indicating that that “all materials used have been cited in an office action.”  
Second Appeal Brief, Page 5.

137. First, the Examiner maintains his position that as noted in the Second Final Office Action and quoted above, all materials used in this Answer and all other office actions have been cited in the office actions. In other words, all references have been cited by the Examiner in a “Notice of References Cited,” *i.e.* a PTO-892 form, or alternatively, cited by Appellants in an Information Disclosure Sheet (“IDS”). The Examiner concludes therefore that all references used in this Answer have been cited.

138. With that in mind, the Examiner maintains his position as noted in the Second Final Office Action, Paragraph No. 31, Page 18, which states:

All factual findings and conclusions of law in this Office Action are based the entire record. Although the Examiner may have singled out various items of evidence (e.g. Sone or Salvo) and expressly noted their content, this does *not* mean that the other documents of record were not considered and applied when making the prior art rejections above. Moreover, because the cannons of claim construction are generally viewed from a person of ordinary skill in the art, the other documents of record not specifically mentioned in the prior art rejections above were used in the Examiner’s deliberative process to access, inter alia, the

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<sup>110</sup> Brief, Page 5, §8. (a), titled “Use of Uncited Materials”

definiteness of the claims, the level of skill in the art, and ultimately the patentability of the claimed invention. [Footnote omitted.]

139. In other words, the Examiner maintains his position that all documents of record have been considered. For example, in the obviousness rejections under Groups 2 and 3, the Examiner is required to consider all evidence. See *e.g. In re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992) (“After evidence or argument is submitted by the applicant in response, patentability is determined on the *totality of the record*, by a preponderance of evidence with due consideration to persuasiveness of argument.”) (emphasis added).<sup>111</sup> Failure by any examiner to consider all documents of record would therefore constitute an error by an examiner when ultimately determining legal conclusions of obviousness.

140. In fact, as long as the document is ‘of record’ or ‘cited material,’ the Examiner may use that reference in a rejection—even though that particular document is not expressly set forth in the statement of rejection. See *e.g. In re Huston*, 308 F.3d 1267, 1278-79, 64 USPQ2d 1801, 1808-09 (Fed. Cir. 2002) (Where the Board combined two references in an obviousness rejection and a third reference—which was not expressly stated in the statement of rejection—was used to provide the motivation to combine).

141. The Examiner therefore concludes that Appellants arguments have been considered but are not persuasive.

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<sup>111</sup> Note, “All the evidence on the question of obviousness must be considered.” See *In re Piasecki*, 745 F.2d 1468, 1471, 223 USPQ 785, 787 (Fed. Cir. 1984).

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**(II) Common Sense**

142. Additionally, the Examiner has provided additional references for the Board to help establish old and well known computer related structure, methods, and concepts. The following is from the Second Final:

In accordance with *In re Lee*, 277 F.3d 1338, 1344, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002), the Examiner finds that the references How Computers Work Millennium Ed. by Ron White; How Networks Work, Millennium Ed. by Frank J. Derfler et. al.; and How the Internet Works, Millennium Ed. by Preston Gralla are additional evidence of what is basic knowledge or common sense to one of ordinary skill in this art. Each reference is cited in its entirety. Moreover, because the references are directed towards beginners (see "User Level: Beginning . . ."), the Examiner finds that the references are primarily directed towards those of *low* skill in this art. Because the references are directed towards those of low skill in this art, the Examiner finds that one of *ordinary* skill in this art must—at the very least—be aware of the knowledge and information contained within the references.

143. This knowledge and information in addition to the structures, methods, and concepts in these three (3) references can therefore be used in conjunction with Sone or any other prior art document of record to assist with establishing anticipation (or obviousness for that matter) because the Examiner has established (and Appellants have failed to rebut) that such knowledge and information is well within the knowledge of a *skilled* artisan. As noted above from *In re Graves*, "A reference anticipates a claim if it discloses the claimed invention 'such that a skilled artisan could take its teachings in *combination with his own knowledge of the particular art and be in possession of the invention*. [Emphasis in original.]" *Graves*, 69 F.3d at 1152, 36 USPQ2d at 1701 (citations omitted).

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**(16) Conclusion**

144. The Examiner requests the opportunity to present arguments at an oral hearing.

145. For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

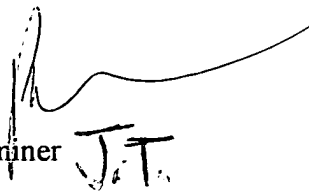


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**APPENDIX****TABLE 1 – Claim 1 and Sone**

<b>Clause No.</b>	<b>Claim 1</b>	<b><u>Sone</u> (U.S. 6,204,763 B1)</b>
1	Providing a plurality of dispensing units that each hold a plurality of each of multiple distinct items	A plurality of dispensing units 12 that each hold a plurality of each of multiple distinct item. See Figure 2, where toilet paper, canned food, and paper towels are directly disclosed. Alternatively, a unit is the combination of cabinet 12 and personal computer 26.
2	The units have a processor and a memory for storing a record of inventory levels of each distinct items	Processor and memory (within computer 26 in Fig. 2 or personal computer 50 within Fig. 4) for storing a record of inventory levels of each distinct items.
3	Periodically sending restocking information from the dispensing units over a network to a server computer	"The computer 26 facilitates inventory processing so as to make a list of those items requiring replenishment. The list of those items requiring replenishment is then communicated, via communications link 34, to a store shopping server 24 . . . ." Col. 6, ~ lines 61-65.
4	The restocking information including a restock quantity for each distinct item	Inherent. If four (4) rolls of toilet paper 21 are desired and zero (0) are present within cabinet 12, the customer's order would comprise four (4) rolls of toilet paper for that cabinet.
5	Aggregating the restock quantities over the plurality of dispensing units for each of the multiple distinct items	Inherent. Server 24 receives orders from multiple customers' homes 10 and adds the restock quantities together to take advantage of economies of scale before placing its order
6	Generating order information for the items to be restocked based on the aggregated restocking information	Generating order information (quantity and item identifier) for the items to be restocked based in part on the aggregated restocking information (i.e. the quantity total)
7	Electronically sending the order information to one or more supplier computers to order items to be restocked into the dispensing units	Inherent. Electronically sending at least in part (via a computer or telephone) the order information (quantity and item identifier) to one or more supplier (vendor) computers to order items to be restocked into the dispensing units



**TABLE 2** – Claim 12 and Sone

<b>Clause No.</b>	<b>Claim 12</b>	<b><u>Sone</u> (U.S. 6,204,763 B1)</b>
1	Restocking the shipped items into the dispensing units	Restocking the shipped items into the dispensing units (“Stocking is typically done by a vendor or delivery person” Sone, Col. 8, ~ lines 31-32.
2	Reconciling the restocked items with the advanced shipping notice using the dispensing unit processor, and	The dispensing unit processor 26 or 50 determine if inventory is present. If not restocked, the process would reorder. The delivered items are reconciled by the vendor or delivery person
3	Electronically sending a confirmation receipt to the server computer from the dispensing units.	and electronically sending a confirmation receipt to the server computer from the dispensing units (inherent in order confirmation).